

Financial Reforms In Italy Open Way For Foreign Banks

MILAN — A cabinet committee, in one of the most sweeping overhauls of Italy's banking laws since 1936, has empowered the nation's banks to expand through acquisitions and has given foreign banks the right to start operating anywhere in the country.

The new regulations, which are to take effect in June, also streamline domestic lending practices and sweep aside most obstacles for Italian banks wanting to set up operations abroad.

The new policy, approved late Thursday by the Interministerial Committee for Credit and Savings, appears to be aimed at meeting a 1992 European Community deadline for a fully integrated European banking system. Analysts said the reforms were likely to lead to a radical consolidation of Italy's fragmented banking industry and set the stage for the emergence of foreign banks as major players in the Italian domestic market.

"The changes are revolutionary," said Elio Tartaglia, managing director of Banco di Santo Spirito in Rome. "They have finally allowed the banks to be grown-ups."

Italy's current banking rules prohibit foreign banks from operating in markets outside their primary place of business, except when dealing with foreign companies or Italian exporters. The rules also have limited most of the country's more than 1,000 banks to local operations by restricting their ability to set up branches.

Under the new regulations, which sharply reform the country's cornerstone 1936 Banking Act, domestic banks will now be empowered to buy branches from one another or to purchase the right to operate in markets currently dominated by other local banks or one of Italy's three national banks.

Foreign banks, also effectively limited to one locality, will now be free to compete for deposits or business anywhere in the country, although their ability to set up branch offices will still be limited.

The panel also streamlined standards for granting medium- and long-term loans, clearing the way for individual banks to meet more quickly to lending opportunities.

Under current regulations, most of the country's seven types of banks are restricted to issuing only short-term loans of up to 18 months, except for house loans and other specific exceptions.

The committee, citing the need "to integrate and rationalize" the country's financial markets and lending practices, virtually abolished the distinctions between the main categories of banks. All will now be allowed to issue medium-term credit.

The new measures, although endorsed by the Bank of Italy, sharply curtail the central bank's historically rigid control over the banking sector. In the past, such routine decisions as setting up a new branch office required Bank of Italy approval, and clearance typically required years of negotiation.

"The new measures are very positive," said Amos Zocchi, president of the Rome-based National Association for the Study of Banking Problems. "Anything that makes our banking system more competitive and more international is worthwhile."

Mr. Zocchi cautioned that many of Italy's banks were ill-prepared to cope with the new competition from foreign banks that the new regulations allow.

"Many of our experts lack the skills and attitudes necessary to cope with international banking and finance," he said. "The internationalization of our system is not going to be easy."

Communal Clashes Kill 13 in India

NEW DELHI — Moslems carrying daggers and swords stormed out of India's largest mosque Friday and attacked Hindus in the adjacent center of Delhi. Officials said 4 persons were killed and 134 injured.

In Meerut, 45 miles (about 70 kilometers) northeast of New Delhi, nine persons died in a fifth day of Hindu-Muslim clashes, United News of India reported.

The rioting occurred after the army lifted a three-day curfew to allow 2,000 Moslems to pray in Jama Masjid mosque.

At least 10 persons were injured in the rioting, said Moslems armed with daggers, swords, hockey sticks and iron rods poured out of the mosque and attacked Hindu shops and also Hindus on the street.

Kiran Bedi, a local police chief, said Moslems leaving the mosque chanted, "We want Babri Masjid back with us," a reference to a shrine in the state of Uttar Pradesh.

Last year, a court opened the shrine to worship by Hindus only.

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Kiosk U.S. Economy Grows by 4.4%

The U.S. economy grew at an annual 4.4 percent rate in the first quarter of 1987, the Commerce Department said Friday. Although boosted by a buildup in inventories, it was the fastest rate in almost three years.

However, after-tax profits of U.S. companies fell \$7.9 billion in the quarter, or 5.5 percent, as a new tax law went into effect.

The government also reported that consumer prices rose 0.4 percent in April, or at an annual rate of 3.5 percent. Details, Page 15.



This needlepoint cushion design is a creation of Kaffe Fassett, a San Franciscan in London, who has built a reputation producing sweaters and knits of intricate color and texture. Page 6.

GENERAL NEWS

■ A U.S. inquiry turns to Edwin Meese's role in lobbying for the plane manufacturer Fairchild Industries. Page 3.

■ Adam Michnik, the Polish historian, said that Soviet reforms should be encouraged rather than dismissed. Page 2.

■ Australia said it would not recognize Fiji's interim government. Page 5.

Dow close: UP 17.43
The dollar in New York:
DM £ Yen FF
1.782 1.668 140.85 5.9575



Lise Lesèvre, left, and Simone Lagrange, arriving Friday at the Palais de Justice in Lyon to testify at the trial of Klaus Barbie. They recounted how they had been tortured in 1944.

Recalling Barbie: At Trial, Woman Describes Days of Torture at Age 13

LYON — The court trying Klaus Barbie was still and silent Friday as Simone Lagrange recounted how, as a 13-year-old girl in Lyon 43 years ago, she was beaten senseless by the former Nazi officer, who was trying to force her to disclose the whereabouts of her brother and sister.

Mrs. Lagrange spoke calmly and precisely, in a voice laden with sadness, as the court trying the wartime chief of the Gestapo in Lyon on crimes against humanity continued to hear stories of Nazi persecutions.

She said that she and her parents, all of them Jews, were arrested on D-Day, June 6, 1944, — "a day that started with joy and ended in sadness for us," she said. "Her mother was gassed to death at the Auschwitz concentration camp the day that Paris was liberated by allied troops."

"Yes, Mr. President," she said, addressing André Corbini, the presiding judge, "the gas chambers existed."

She was among the thousands of prisoners evacuated from Auschwitz in 1945, ahead of advancing Soviet troops, when, by chance, she

saw her father among a group of prisoners. A camp guard allowed the two, who had been separated for two years, to meet, and Mrs. Lagrange thought they would be allowed to embrace.

Then, abruptly, the guard forced her father to kneel and he shot him in the head.

"It was not Barbie who put bullets into our heads," she said, "but it was he who sent us into that hell. He is the first to be responsible."

Mrs. Lagrange was one of six persons to testify Friday to brutality and mistreatment at Barbie's hands. Another was Lise Lesèvre, an 86-year-old former member of the Resistance, who has, through television appearances and a book published recently, become something of a heroine in France.

Mrs. Lesèvre, who survived deportation to the Ravensbrück camp and two years of forced labor, refused the court's invitation to give her testimony seated. Instead, she stood, gripping bars on either side of the witness box, and described 19 days of interrogation and torture by Barbie.

"He was a savage," she said. "He always carried a swagger stick and when he had nothing to hit with it, he tapped it all the time against his boots, so we could always tell that he was coming to the cell by the sound of the tapping that preceded him."

"You had the feeling that a ferocious beast was coming into the cell. It was absolute terror."

Mrs. Lesèvre, who is not Jewish, See BARBIE, Page 5

NATO Expected to Back Modified Arms Proposal

PARIS — The NATO allies are moving toward accepting a modified version of the Soviet Union's offer to remove its medium- and short-range nuclear missiles from Europe if the United States does the same, officials say.

Under the emerging alliance position, members of the North Atlantic Treaty Organization would accept the so-called double-zero offer on the condition that West Germany's 72 aging Pershing-1A missiles are excluded from the agreement and possibly modernized, these sources said.

The Pershing-1As, whose nuclear warheads are under U.S. control, are short-range weapons, capable of traveling 300 to 600 miles (500 to 1,000 kilometers).

After two days of talks with President Francois Mitterrand and Prime Minister Jacques Chirac of France, Chancellor Helmut Kohl of West Germany said at a news conference Friday that he was "examining very seriously" the possibility of eliminating short-range missiles as well as medium-range weapons, which can hit targets 600 to 3,000 miles away.

"We think it's a good idea to eliminate these arms," he said, adding that he would give Bonn's final response on June 4.

Mr. Kohl stressed West Germany's special position because of its East bloc border, thus facing the Warsaw Pact's superior array of battlefield nuclear systems, conventional arms and chemical weapons.

"Disarmament is not a goal in itself," he said. "At the end of the process, security must be improved, not diminished."

Any agreement on eliminating medium- and short-range missiles must be tied, therefore, to further negotiations aimed at removing other imbalances between the two sides' forces, he added.

Mr. Mitterrand endorsed the double-zero plan, calling it "a good initiative." But he expressed sympathy with Bonn's reservations and acknowledged that eliminating the Pershing-1As would create special difficulties for West Germany.

Signs of progress toward a united NATO stance in favor of a modified double-zero pact came the day after a U.S. official warned in Brussels that the Reagan administration was losing patience with Bonn's inability to make up its mind on the Soviet offer.

If the European allies remained divided, the official hinted, the Reagan administration might negotiate a disarmament deal covering European missiles on its own.

While the United States, Britain and all smaller NATO nations have expressed willingness to accept the Soviet plan, West Germany's coalition government remains divided.

Foreign Minister Hans-Dietrich Genscher's Free Democrats favor the offer while Mr. Kohl's Christian Democrats fear it would leave West Germany exposed to the superior might of the Warsaw Pact.

Officials say, however, that the Bonn government is now moving, with French encouragement, toward accepting the Soviet offer on condition that the Pershing-1As remain to provide a measure of deterrence against the East bloc's lead in other kinds of weaponry.

NATO would justify the exclusion.

See KOHL, Page 5

Arms Talks in Geneva Shift Into High Gear

GENEVA — It is only a two-minute car ride from the Soviet mission at the bottom of the curving Route de Pregny to the U.S. mission at the top — two stone complexes with high walls where, one might argue, the fate of mankind is being negotiated.

Intimacy has become a virtue as the Geneva nuclear arms talks, which began two years ago, have shifted into high gear. There is a palpable sense among the U.S. and Soviet negotiators that an agreement can be clinched. Their dealings have become crisp, frequent, nonpolitical and, allowing for the ideological divide, faintly comradely.

On a recent wet afternoon, a Mercedes 280E from the Soviet mission swept Alexander A. Obukhov, a white-haired former graduate student at the University of Chicago, to the entrance of the six-story U.S. mission, where Maynard W. Gliman, the chief U.S. negotiator on medium-range missiles and a graduate of the University of Illinois, was waiting for him.

The two negotiators and their aides quickly moved to a modern conference room where a table was laden with soft drinks and peanuts. Three groups of subcommittees meet regularly seven times each week, discussing how to reduce and

then eliminate medium-range weapons, but this encounter was an impromptu one.

Such ad hoc get-togethers have become increasingly common as the U.S. and Soviet teams race against a deadline imposed by the rhythms of the U.S. political calendar. If a treaty abolishing medium-range missiles in Europe is to be

— A U.S. negotiator

ratified by the Senate before President Ronald Reagan leaves office, it is generally accepted that it must be drafted and submitted to the lawmakers by March or April of 1988.

Each side has submitted a draft treaty. The negotiators then disassembled both documents and put their parallel articles side by side to prepare "joint working texts." These texts will become, when all the differences between the two are eliminated, a "joint draft text." Or so the negotiators hope.

"None of this goes rapidly," said a U.S. negotiator, explaining the process of "eliminating the brackets" — finding words that are acceptable to both sides. "You're drafting a contract between two countries, and you have to spend a lot of time on the precision of words."

There are still thorny matters to be negotiated as well.

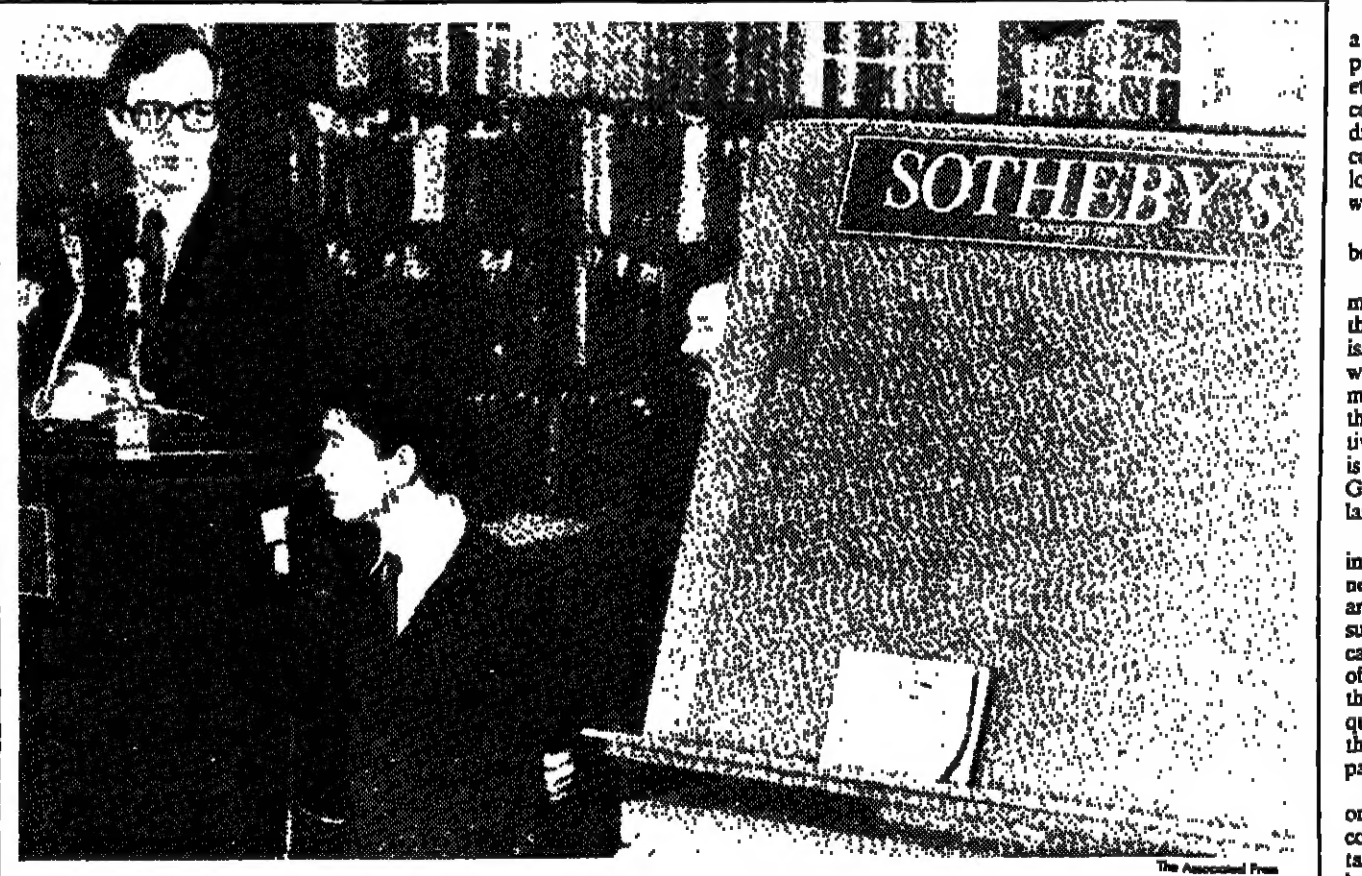
The Soviet treaty is known to be much less detailed and exhaustive than the U.S. one on the crucial issue of verification. It is not clear whether both sides will retain 100 medium-range warheads (far from the European front, and the sensitive issue of shorter-range missiles is being openly debated in West Germany and within the North Atlantic Treaty Organization).

Drafting groups are also at work in the two other realms of the Geneva talks — on strategic weapons and space defenses. The Americans submitted a draft treaty on May 8 calling for a 50-percent reduction of intercontinental missiles, and the Soviet side has been asking questions about it while promising that a Soviet proposal is being prepared in Moscow.

But in the U.S. delegation, no one disputes that Mr. Gliman, a compact and precise man with a taste for three-piece suits, is the hare in the three-cornered race and that none of the tortoises seems very confident of overtaking him.

"The important thing we've been trying to decide," said an American in the slower track, "is where the Soviets' bottom line is, and to tell

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Mozart Autograph Symphonies Sell for £2.6 Million

A 508-page volume of nine symphonies by Mozart was sold Friday in London for a record £2.6 million including premium. The works, almost entirely in Mozart's hand, were probably bound by his father, Leopold. They were written in the 1770s.

When Mozart was in his teens, Sotheby's, which had estimated the value at £1 million, said the works were sold to a London dealer, James Kirkman. The previous music manuscript record was £330,000 in 1982 for a draft of Stravinsky's "Rite of Spring."

Experts Explain Why Stark Was Vulnerable

WASHINGTON — Naval experts, describing how Iraqi missiles could have slipped past the defenses of the U.S. frigate Stark, have provided details indicating that other ships in the Middle East Task Force could be vulnerable to a similar attack that was not clearly anticipated.

The portrayals of the experts — including John F. Lehman Jr., who, until last month, was the secretary of the navy — highlighted the importance of new operating rules that were adopted since the attack in the Gulf. The rules dictate that Iranian and Iraqi planes approaching in a threatening manner are to be shot down before they get close enough to launch missiles.

[An Iranian gunboat attacked a

Qatari freighter with rockets and machine guns in an area patrolled by the Saudi Arabian Air Force and the Kuwaiti Navy, shipping sources in the Gulf said Friday. The Associated Press reported from Manama, Bahrain.

[Three crewmen were reported injured and the ship, the 2,600-ton Rashidah, was heavily damaged in the attack Thursday. A shipping source said the attack was "very worrying, because it shows that the Iraqis can make their way to targets, undisturbed by escalating defenses."]

As the experts described the May 17 attack on the Stark by an Iraqi Mirage F-1 fighter, which killed 37 sailors, the Pentagon disclosed that Iraqi planes flying toward the destroyer Waddell on Monday and

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Israeli Wins a Delay On Iran Arms Testimony

WASHINGTON — The Israeli government, with the apparent backing of the State Department, succeeded Friday in delaying a special prosecutor's subpoena for grand jury testimony from David Kimche, a former top Israeli diplomat who was a key early link with the White House in the secret sale of arms to Iran.

Mr. Kimche had apparently been surprised by the subpoena, which was served on him Wednesday in New York, where he was on a business trip.

He asked U.S. District Judge Aubrey E. Robinson Jr. to quash the subpoena, issued by Lawrence E. Walsh, the special prosecutor investigating the arms sale and the diversion of some proceeds to aid the Nicaraguan rebels, known as contras.

After a two-hour closed hearing before Judge Robinson, Mr. Kimche said, "All I can say is I'm

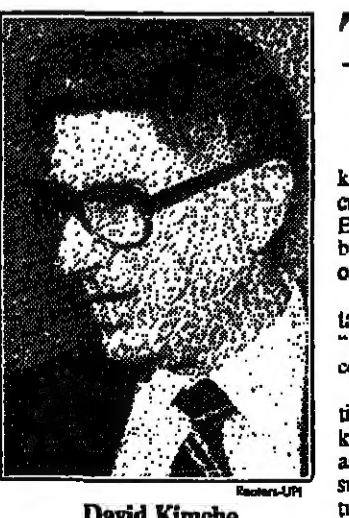
leaving. As you can see, I'm not appearing before the grand jury today. I can leave the country when I want and come back when I want."

Mr. Kimche, a former Israeli intelligence official who was director-general of the Foreign Ministry in 1985 when he brokered an arms-for-hostage deal with Iran to White House officials, later left the United States to return to Israel.

In Israel, Prime Minister Yitzhak Shamir denounced the Walsh effort to subpoena Mr. Kimche as "a clear violation" of the agreement between two governments on how questions about Israel's role in the Iran-contra affair would be handled. Mr. Shamir said Mr. Kimche "would not be permitted to be interrogated" by the grand jury.

Sources said Judge Robinson agreed to grant a delay in the understanding that Mr. Kimche would return to the United States if the judge rules for the special prosecutor on the legal issues.

An Israeli official said after the



David Kimche

hearing that the judge set a timetable giving each side time to file legal papers before he makes a final decision on whether to enforce the subpoena.

Even if Mr. Walsh succeeds, in what now might be protracted legal arguments, there is no guarantee that Mr. Kimche would testify. Foreigners are allowed to cite Fifth Amendment protections against self-incrimination.

To Astronomers, 'Eiffel Moon' Is a Villain

PARIS — A proposal to give Paris's best-known landmark a starring role in space is creating another version of Star Wars, with the Eiffel Tower company cast as the Evil Empire by astronomers who fear their research into the origins of the universe may be jeopardized.

The company, the Société Nouvelle d'Exploitation de la Tour Eiffel, plans to launch an "Eiffel Tower in space" three years from now to celebrate the monument's centenary.

It will consist of a "necklace" of 100 reflective balloons and plastic tubes, 15 miles (24 kilometers) in circumference, that will appear as big as the full moon and shine with reflected sunlight as brightly as stars of the first magnitude.

Many astronomers contend that the object will damage delicate telescopic equipment that is being used to study phenomena on the known outer limits of the universe.

"Do the people of Paris want to be remembered as the people who stopped research into optical astronomy?" asked Paul Murdin, head of the astronomy division of the Royal Greenwich Observatory in Britain. "I think not."

To learn more about the origins of the universe, Dr. Murdin said from the international observatory on La Palma, one of the Canary Islands. "We are looking at a group of quasars

billions of light years away. It gives off about the same amount of light as a candle on the surface of the moon."

But, he said, "we can't continue this work if somebody is shining a searchlight" in space all the time.

At the La Palma observatory, 8,000 feet (2,500 meters) above the sea, light from distant

of dollars to start producing them again," he said.

Dr. Murdin said there would be no way of accurately predicting the course of the French satellite as it shifted around in the solar wind 500 miles above the Earth, and it would therefore be difficult to construct defenses for the image intensifiers.

The Eiffel Tower satellite, he argued would be "merely decorative" and "completely useless."

"In no way will it contribute to scientific research or economic purpose," he said.

A century ago, similar charges were launched against the name of Gustave Eiffel. Guy de Maupassant and a group of fellow intellectuals and artists assailed the project to build the world's tallest structure in the heart of Paris. It would be, they said, a "useless and monstrous" blot on the landscape.

Eiffel replied that the tower would become an object of admiration, like the Pyramids. "I think it will have its own beauty," he said.

Today, the people who run the Eiffel Tower company produce the same kind of counterarguments.

The space necklace, said Philippe Gillieron, a spokesman for the company, will be "a gesture to symbolize the fact we are entering the 21st

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Polish Historian Seeks to Evaluate, Exploit Gorbachev's Reforms

By Jackson Diehl
Washington Post Service

WARSAW — Adam Michnik has spent most of the 1980s in a prison cell, a symbol both of Poland's defiant opposition movement and the intolerance of its Communist government.

Now, only 10 months after being released in an amnesty, he finds himself grappling with the issue of whether the system that imprisoned him is moving toward real change under Mikhail S. Gorbachev, the Soviet leader.

The question is one that is facing a generation of opposition activists and intellectuals in Eastern Europe who have spent their lives struggling against Soviet-backed Communist rule. And it is one for which Mr. Michnik, as the increasingly renowned theoretician of Poland's democratic opposition, has a particular standing of authority.

So far, said Mr. Michnik, 40, he is counseling that Mr. Gorbachev's reform drive be stimulated rather than dismissed. "One should not say that nothing changes in Russia," he said. "One should up the ante."

At the same time, Mr. Michnik, a historian, leaves no doubt about the criteria by which he believes Mr. Gorbachev should be judged.

"The only real measure of change," he says, pacing up and down a room with a gait learned from prison, "is improvement in human rights. If Gorbachev really wants to show that he rejects militarism and imperialism, then he must allow people to live freely in their own societies."

The mixture of political flexibility



Adam Michnik, the Polish writer, says the Soviet reform effort should be stimulated.

and moral certainty, of high-minded rhetoric, is the trademark of this man who, perhaps better than any of his peers, has managed to combine the roles of intellectual and activist in a Communist-ruled country.

In the West, Mr. Michnik's reputation has grown in recent years as one of Europe's most original political thinkers, a formulator and principal defender of the nonviolent resistance to totalitarianism

embodied by the banned Solidarity union movement.

In Poland, meanwhile, he remains a dynamo of opposition organization, a spokesman, adviser, instigator and coordinator. He seems to spend many of his days rushing from political meetings to briefings with diplomats to underground encounters with clandestine printers and publishers.

"I consider my writing as one form of my activism," Mr. Michnik said this week. "As for the rest of what I do," he added with characteristic playfulness, "that is something the Polish police would pay a lot of dollars to know about."

Even by Mr. Michnik's standards, this week has been exceptional. On Tuesday, he lunched with Foreign Minister Leo Tindemans of Belgium, who was paying a visit to Poland. He met Thursday with a delegation of union leaders from Chile who traveled to Poland

on tourist visas to compare notes on opposition to dictatorship.

On Friday, Mr. Michnik and Zbigniew Brzezinski, the former Solidarity underground leader, were presented with the Robert F. Kennedy Human Rights Award by Senator Edward M. Kennedy, Democrat of Massachusetts, in a private ceremony. The award, worth \$40,000, was accepted as a recognition of the continuing importance of Solidarity's existence and its nonviolent philosophy.

"If it is possible for me to travel abroad," he said, "I will take the money and donate it to independent culture, and in particular for the publication of Polish 'of classics of anti-totalitarianism,' adding: 'I'm especially interested in Hannah Arendt. That is the author whom Poles and contemporary people in general should know.'"

A principal theme of Mr. Michnik's writing over the past decade has been the need of Communist-ruled societies to create their own institutions—including publishing houses, schools, unions and human rights groups—rather than waiting for reforms by ruling parties.

Accordingly, he was a founder in 1976 of both the Workers Defense Committee, known by its Polish initials, KOR, and Poland's first underground publisher, Nowa, which continues to turn out uncensored books, magazines and audio and videocassettes in tens of thousands of copies.

The era of Solidarity's formation and legal existence in 1980-81 saw Mr. Michnik's theory largely fulfilled through the independent union and hundreds of cultural and

political organizations that sprang up around the country. Today, although Solidarity has been reduced to small bands of activists, and independent printers once again risk fines and imprisonment, Mr. Michnik said the "independent society" he envisioned remains a reality.

"The fact is that in Poland there exists an organized civil society," he said. "We have our own underground newspapers, we have our underground publishing houses, and we have our own independent cultural activity. This is the most important breakthrough, because these institutions are what is bringing us closer to democracy in Poland."

Better Links Are Sought

Upon arriving Friday in Warsaw, Mr. Kennedy said he had come to Poland on a mission to improve ties between Warsaw and Washington that went sour with the imposition of martial law six years ago. United Press International reported.

"We have a mission on this trip—to listen, to learn what we can do to improve relations between our countries," the senator said. "I hope we can work together in a way that advances the process of normalizing our diplomatic relations."

Mr. Kennedy's five-day visit was at the invitation of the Sejm, Poland's parliament. He was scheduled to meet with Jozef Cyrankiewicz, a member of Communist Party Politburo, Defense Minister Florian Siwicki and Cardinal Jozef Glemp, and on Sunday with Lech Walesa, Solidarity's founder, in Gdansk.

WORLD BRIEFS

Sweden Bans Trade With South Africa

STOCKHOLM (Combined Dispatches) — The Riksdag, Sweden's parliament, approved a trade boycott of South Africa and South-West Africa on Friday. The vote was 234-66. The measure becomes law July 1, and companies have until Oct. 1 to comply, legislators said.

The government proposed the ban in March. It exempts certain goods, such as medical supplies and printed matter. It does not require Swedish companies to remove investments from South Africa and South-West Africa, or Namibia.

Also Friday, in Helsinki, the Finnish government introduced a bill to sever trade links with South Africa and Namibia starting July 1. The step is mostly symbolic. Finland has had little trade with South Africa for two years because of voluntary boycotts and a ban on transport by trade unions. (AFP, Reuters)

South Africa Convicts 10 of Terrorism

JOHANNESBURG (AFP) — A regional commander of the African National Congress guerrilla group and a senior member of the United Democratic Front of anti-apartheid organizations were among 10 persons convicted of terrorism Friday in two trials.

In Cape Town Supreme Court, three black and three mixed-race men were convicted of terrorism. One, Lito Bright Nqunwana, was leader of the western Cape division of the ANC's military wing. Seven other men were found guilty of harboring or assisting suspected terrorists. Conviction of terrorism carries a maximum penalty of the death sentence and a minimum of five years in prison.

In Bisho, capital of the nominally independent Ciskei homeland, the Reverend Arnold Stofile, general secretary of the Border region in the eastern Cape for the United Democratic Front, and three others were found guilty of terrorism and possession of arms.

Swaziland Arrests 6 in Royal Family

MBABANE, Swaziland (Combined Dispatches) — The police have arrested 13 persons, including a cabinet minister and five other members of Swaziland's royal family on charges of sedition and treason, the police commissioner said Friday.

The 13 persons arrested Thursday are believed to be supporters of Prince Mfanzibili Dlamini, who effectively ruled the kingdom before King Mswati III assumed the throne in April last year.

Police Commissioner Sandile Mdziniso said that among the arrested were two princesses and four princes, including Prince Phiwokakhe Dlamini, the minister of labor and public service, and Prince Bhikimpi Dlamini, dismissed as prime minister by the king in October.



DENG WELCOMES KIM — Deng Xiaoping, left, the Chinese leader, embraced President Kim Il Sung of North Korea as they met Friday in Beijing. Mr. Deng was quoted by a news agency as saying, "We understand each other very well and we don't have any differences."

Dissidents Test Glasnost, Propose Radical Journal

By Gary Lee
Washington Post Service

MOSCOW — A group of newly released political prisoners, heeding the Kremlin leadership's exhortations for Soviets to speak out, is seeking official permission to publish a periodical of news and opinion called Glasnost to supplement the state-controlled media.

The publication, if approved, would be the first such Soviet publication not under governmental control. Its title is taken from the word used by Mikhail S. Gorbachev for "openness" and its fate is viewed as a major test of the leader's policy of encouraging free speech and criticism.

"In contrast to our past activities, we are not seeking confrontation with the authorities," said Sergei Grigoryants, 45, the chief editor and organizer. Mr. Grigoryants was released from prison in February after serving three and a half years for editing the underground human rights publication Bulletin V.

"We are trying to fill gaps in what is already available, supplying information on areas that are not covered or only partially covered," he said. "The things we're interested in do not appear elsewhere. We're trying to take advantage of glasnost."

"We want to go through all the legal channels," he said. "We don't want to do anything secretly or underground." But he added, "If we don't get official approval, we will print it anyway. It will be more difficult, but we will do it."

The attempt to publish Glasnost comes in conjunction with what some Soviets have described as an outpouring of articles and literary works circulating in samizdat, or clandestine publications, following official encouragement of greater openness and civic involvement.

The appeal of former political prisoners for official permission is part of a potentially taxing issue for the Kremlin leadership: what to do with the 150 political

prisoners pardoned and released in February. Many are eager to resume writing or organizing around such issues as human rights, for which they were initially imprisoned.

The editors of the proposed journal have asked to present a pilot edition of Glasnost next week to Alexander Yakovlev, an aide to Mr. Gorbachev, a nonvoting member of the ruling Politburo and an architect of the glasnost campaign. The issue consists of unpublished speeches, notes on gatherings and exhibits taking place in the capital, and opinion pieces.

It includes a speech by a senior procurator documenting corruption in outlying Soviet republics, an expose of food-dragging in a Moscow factory on the leadership's reforms, an update of the situation of the 150 political prisoners released in February and a profile of Ivan Fedorchuk, a Baptist imprisoned in 1983.

Mr. Grigoryants said the organizers have "no objection" to the publication being

regularly presented to Glasnost, the official censorship organization, whose main role is to control pornography or military secrets.

The scope of material presented in the journal would be wide, Mr. Grigoryants added, but would focus on human rights, the environment, Jewish affairs and other religious themes. These are areas not dealt with in existing publications, Mr. Grigoryants said.

The journal is scheduled for publication three times a month. Mr. Grigoryants said the organizers have already collected enough material for 15 issues. Initial circulation would be limited to 100, he said, but would expand gradually.

The editors have gained the backing of Andrei D. Sakharov, the dissident physicist released from internal exile in December. Mr. Sakharov has agreed to appear at a press conference that the organizers plan to hold after they discuss the journal with Soviet officials.

NASA Urges Own Orbiter For Military

By Philip M. Boffey
New York Times Service

WASHINGTON — The National Aeronautics and Space Administration has suggested that the Defense Department should consider building its own space station, a move that could ease growing concerns in the United States and abroad over possible military uses of NASA's proposed space station.

The suggestion was made Thursday by Dale D. Myers, deputy administrator of the space agency, in a speech to a symposium of the Air Force Association in Colorado Springs. The space agency released a text of the speech in Washington.

Mr. Myers suggested that demands for use of the space station by civilian, military and international customers might become so great that the Defense Department "may very well want to begin thinking seriously about a dedicated space station of its own, possibly in polar orbit."

"Now is the time for a serious, long-term look" at the department's future requirements in space, he said.

Mr. Myers did not link his suggestion to recent developments in which foreign governments have balked at cooperating in the space station project if it is to be used for clearly military purposes. Indeed, the suggestion was made in the context of a speech stressing the importance of continued civilian and military cooperation in space.

Shirley M. Green, director of public affairs for NASA, said the suggestion was "not a response" to the outcry over alleged militarization of the space station. Instead, she said, it was a recognition that the air force space program has been growing rapidly and that the proposed NASA space station, to be launched in the mid-1990s, may not be able to meet all the needs envisioned by military planners.

The Pentagon has not yet identified any specific uses it would make of the space station, but has been studying possibilities.

Another NASA official said, however, that a separate military space station would inevitably help reduce complaints that the NASA space station was in danger of being dominated by the Defense Department.

"If they had their own space station they wouldn't mess ours up," the official said.

Defense Department spokesmen had no immediate comment on the proposal, but the air force is known to have considered the possibility of a military space station over the years.

Above the Fray, Barre Rides High in France

By Edward Cody
Washington Post Service

CHARLY, France — If you think fruit marketing is poorly organized in France, Raymond Barre told the fruit growers here, think up something better and let me know.

If you think business taxes should be lowered, Mr. Barre told businessmen at a banquet that evening, don't kid yourselves; there is little room for broad tax cuts soon in France.

"Those who are happy with me, good," Mr. Barre said about his refusal to get involved in a dispute

raised by a far-right party over immigration policy. "And for those who are not, too bad. I will not join the cacophony."

Mr. Barre, an economics professor who was France's prime minister from 1976 to 1981, is running for president in his caucus way.

By building a reputation as someone who flouts above ordinary political grit and refuses to enjoin voters, he has emerged as the leading conservative candidate for the 1988 presidential elections.

His ascension in popularity polls has defied most political rules. Rather than telling the French

what they want to hear, Mr. Barre has made a career of telling them what he thinks they ought to hear.

To the chagrin of Prime Minister Jacques Chirac and the governing conservative coalition, Mr. Barre, 63, has done so outside the country's traditional political parties and in disdain of the combative Partisan political scene.

"I won't hide from you that this amuses me a lot," he said. "I am all alone and they are all trembling because of me."

Mr. Barre's policies of economic austerity as prime minister were widely criticized as heartless. In the

view of many commentators, they contributed heavily to President Francois Mitterrand's Socialist victory in 1981. But since then, and largely by lecturing the public on the same economic themes with professorial authority, he has acquired a paternal but stern image that many Frenchmen seem to feel comfortable with.

"He is something of a father figure," said Dr. C.R. Michel, a medical professor and Barre supporter in Lyon. "And Frenchmen like to turn to a father in times of trouble."

Mr. Barre, who remains a National Assembly member from Lyon, attributed much of his national following to the very policies that were widely decried in the late 1970s. The French remember what he had advised them, he said, and they realize now that he was right.

"I am not inspired by a mad desire to have a political career, so I will not change," Mr. Barre said. "Frenchmen will accept me only if they believe we have to have serious policies."

Mr. Barre has maintained his opposition to the power-sharing arrangement between the conservative prime minister and the Socialist president, which has been in existence since the Socialists lost control of the National Assembly in March 1986, even though most Frenchmen appear to like the arrangement.

Mr. Barre's followers acknowledge there is little ideological difference between Mr. Barre and Mr. Chirac, whose party, the Rally for the Republic, leads the coalition that controls the National Assembly. Both profess economic conservatism.

But Mr. Barre, they argue, is



Raymond Barre

more presidential because he appears more stable and less inclined to follow shifting political winds.

What Mr. Barre's followers praise as confidence and consistency, however, have been condemned by opponents as pomposity and rigidity.

"He is detestable," said a Socialist leader in a private conversation. "He goes around saying like de Gaulle."

But unlike de Gaulle, Mr. Barre has had to learn a minimum of street politics to stay elected from his district in Lyon.

With a small group of fruit farmers in Charly, he seemed to mix professional lecturing with an earthy appreciation for the region's celebrated agricultural and gastronomic traditions.

After recounting how Bordeaux winegrowers lost a large deal because they were unable to satisfy an American distributor's commercial schedule, he accepted a glass of the local Coteaux du Lyonnais and urged: "So think about it. Organize your own networks."

Said one of the farmers, nodding, "That's right."

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TOWER: To Astronomers, 'Eiffel Moon' Is a Villain

(Continued from Page 1)

century just as the Eiffel Tower symbolized our entrance into the 20th century."

He emphasized that the project, the result of an international competition last year, was still on paper and that the space ring was being developed in close cooperation with the scientific community.

But, said Jean-Pierre Swings, secretary-general of the Paris-based International Astronomical Union, "they haven't consulted us."

Still to be resolved is the question of raising the 300 million francs (\$50 million) needed to build and launch the necklace on a European Ariane rocket.

Mr. Gillieron said the plan was to raise a subscription supported by 21 major European companies. The space necklace, designed by a team led by Jean-Pierre Pommerehne of the French National Center for Space Research, would contain water and be packed into a capsule. Once at the designated height, the

capsule is to open, the water will turn to steam and the ring of balloons will expand into the biggest manmade object in space.

Like the original concept for the Eiffel Tower, the space necklace is intended to be only a temporary object, remaining aloft for three months to two years. It should be visible around the world every night as it makes its polar orbit.

With 9,000 bits and pieces already floating around in orbit, asked Dr. Murrin, "Who needs this?"

Astronomers see the Eiffel Tower project as part of a disturbing trend. In the United States, for example, the Celestial Corp. of Florida has won Department of Transportation approval for a plan to launch reflective orbiting mausoleums, each containing the cremated remains of 15,000 persons.

Dr. Murrin said there was a desperate need for an international convention to prevent the abuse of space. "As things stand," he said, "any organization that can put up

the money can put anything it wants into orbit, short of nuclear weapons."

In Liege, Belgium, Dr. Swings agreed. "Can you imagine, hamburger advertisements in space?" he asked. That concern, in fact, was foreseen in a short story by Arthur C. Clarke in the 1950s.

In 1985, the International Astronomical Union, which represents about 6,000 astronomers around the world, issued a resolution saying that "no group has the right to change the Earth's environment in any significant way without full international study and agreement."

"I have a thick file of protests against the Eiffel Tower project," Dr. Swings said.

But Mr. Gillieron accused the astronomers of wanting to keep space for themselves and of reacting emotionally. "We want to draw attention to the fact that space in the 21st century will belong to all humanity and not just to the scientists," he said.

DELHI: 13 Die in Riots

(Continued from Page 1)

Muslims claim it as a historic mosque.

Police said that at least 40 shops were looted or set ablaze Friday.

Hospital officials said that most of the casualties were Hindus. It was the second outbreak of rioting this week in old Delhi.

In Meerut, military sources said it was probable that more than 100 people had died. Police there reported more than 1,000 people arrested since Monday. They said the fighting was spreading to nearby villages.

Hindu-Muslim rioting began Monday in Meerut after a weekend incident in which a youth was killed, reportedly in a property dispute. More than 9,000 army troops and paramilitary police have been sent to the area to maintain order.

Prime Minister Rajiv Gandhi issued a statement late Friday appealing for peace in both cities.

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Published With The New York Times and The Washington Post

Learning From the Stark

Cheap Exocet missiles crippled the frigate Stark on Sunday and devastated the British destroyer Sheffield in the Falkland war. But these products of 1960s technology are not magic weapons. Despite their ferocity, they are easy to decoy. The question is why the Stark let down its guard and why, once hit, damage and casualties were so heavy. The answers to those questions may contain some heavy lessons for the U.S. Navy.

As has long been known, the Exocet missile's radar guidance is easily distracted. One way is to fire chaff — a cloud of reflecting metal strips that offers a larger radar target. Another is to tow a raft with a radar reflector, luring the missile to zero in on its own amplified echoes instead of the ship. Some 60 radar missiles were fired at Israeli ships during the 1973 war. Israeli crews listened alertly and fired chaff. Not one ship was hit.

The Stark carried chaff dispensers and a Phalanx gun for close-in defense. Her captain, Glenn Brindell, says neither was used because of the lack of warning, since for some reason the ship's electronic system failed to detect the missiles as they detached from the Iraqi airplane. He says the Phalanx gun was not kept on automatic for fear of hitting innocent targets. Understandable, maybe, but a defense system useless against surprise attacks is not very useful.

Passive, off-board defenses like decoy rafts are cheap and effective, unlike the very expensive gear that engages the attention of the naval electronics community. Iranian warships are said to use such rafts. "We don't use those because we feel we have

better methods," says a navy spokesman. Its "better methods" need to be supplemented with ones that actually work.

In war, navies build ships out of steel and asbestos. More convenient materials creep in during peace, like aluminum, a metal that burns fiercely at high temperatures. Perry-class frigates like the Stark are crammed with flammable gear but are unarmored, because of cost and the burden of extra weight in chasing submarines, their primary task. When hit, wild fires may follow. The Stark's aluminum superstructure kept rekindling fires for two days. Could the ship have been made more survivable?

Even without armor, much can be done to minimize damage. The navy pays close attention to fire control, and has recognized the faults of aluminum superstructures by reverting to steel in its latest hulls. But it has long resisted live-fire tests — testing survivability by firing missiles into hulks cluttered to resemble new ships. Instead it relies on computer simulation, a pallid substitute. Since its inventory of aluminum ships will take years to replace, no effort should be spared to enhance their survivability.

The Senate rightly demands to be told how American ships will protect themselves, and Kuwaiti oil tankers flying the U.S. flag, and how the United States would respond to Iranian attacks. In the meantime, the warships in the Gulf can defend themselves. With better preparedness the chaff dispensers should work. The elderly Exocet is no reason to change U.S. policy in the Gulf.

— THE NEW YORK TIMES

Don't Blame the Saudis

It seems that a U.S. early-warning AWACS aircraft flying a Gulf loop picked up the rising Iraqi fighter early and summoned two Saudi fighters into the sky just before the strike on the USS Stark. At American urging, a Saudi controller aboard the AWACS and then a Saudi officer on the ground asked the two Saudi F-15s to intercept the attacking plane in order, depending on what developed, to identify it, make it land or shoot it down. But the two planes did not have the orders permitting them to fly that mission, and not enough time was available to go up the chain of command and obtain the requisite authority.

As first reported, this story was set in the context of a friendly country anger at the spectacle of a friendly country doing less than it might at a moment of American distress. And it is distressing to see would-be comrades standing on protocol instead of instinctively trying to help. Except that this was merely one more aspect of the same basic element of unpreparedness for a contingency that had left the Stark vulnerable to the deadly missiles of the Iraqi plane in the first place. An American pilot who, with-

out orders, put himself — that is, put his government — into a whole new realm of chance and risk in a war zone would not necessarily be decorated for it. It seems unreasonable to demand that a Saudi pilot take such a risk. There is much turbulence in the waters and skies of the Gulf region, and more planning is needed to be ready for it.

Unfortunately, this is not the end of the story. The theme of ostensible Saudi unreliability was quickly taken up by some American friends of Israel as ammunition against an administration proposal to sell F-15s to Saudi Arabia. This is petty and mischievous. The new planes are replacements that would merely keep the Saudi supply level. It is conceivable that one reason the Saudi F-15s could not linger for further orders in the Stark incident is that their fuel capacity had been limited to keep them from being able to fly against Israel.

The Stark incident was bad enough without having it made worse by careless reactions that pile up new tensions between the United States and its exposed and nervous friends in the Gulf.

— THE WASHINGTON POST

Tackling Farm Subsidies

A new international report says it plainly: The industrial countries currently waste \$100 billion a year on farm subsidies. Three-quarters of the benefits go to a prosperous top quarter of farmers. These numbers will not shock anyone familiar with farm issues. What is surprising is that the governments of Japan and West Germany, previously unwilling to brook criticism of their farm lobbies, endorse that analysis.

These governments might now begin to challenge the powerful agricultural interests. That would save consumers and taxpayers billions of dollars, and make a significant dent in trade imbalances. Crops vary, but the forces driving farm policies are depressingly similar in most industrialized economies. Rapid technological change has sharply cut the demand for unskilled rural labor and given the edge to wealthier family farmers with access to capital. Meanwhile, cheap international transportation and the growth of commercial agriculture in poor countries have left all farmers vulnerable to new sources of competition.

Well-off farmers protect their interests by lobbying their governments for subsidies and import barriers. They often cast their appeal in high moral tones — the need to help small farmers or to defend rural values. But benefits are almost always proportional to crop sales or to the amount of land farmed; the real winners are the largest producers. Efficient agricultural producers, including the United States, play this subsidy

game. But the worst offenders are Japan and Western Europe. Japan remains self-sufficient in rice only by paying its farmers five or six times the world price and by denying the use of crop land for desperately needed housing. The European Community is dumping surplus sugar on the world market at just one-fourth of production costs, impoverishing producers in the Caribbean, Central America and the Philippines.

Happily, the power of the farm lobbies seems on the wane. In Europe, subsidies to maintain the "butter mountain" have become so expensive that taxpayers are becoming restless. In the United States, farmers are themselves divided. Sugar and dairy lobbies cling to protection; grain producers see the greater risk in losing exports. In Japan, city dwellers are coming to understand that farm protection is both a drain on living standards and a threat to the ability to export cars and computers.

That explains why the major economic powers have agreed to reassert their commitment to farm reform at the Venice summit conference in June, and then give the reform first priority in ongoing global trade negotiations. Washington wants to cap everyone's subsidies at current levels, and cut them by 10 percent annually after 1988. Five years ago that would have been unthinkable. Today, the folly of farm supports is so obvious that the unthinkable has become plausible. That is not success — but it is a start.

— THE NEW YORK TIMES

Other Comment

No Call for Magnanimity

Defiant in defeat, said Churchill, magnanimous in victory. President Reagan would have it the other way around. In defeat he is magnanimous, absolving Iraq for its deadly attack on the frigate Stark, blaming Iran instead because it refuses to end the six-year-old Gulf war. It is an injustice to the 37 lost crewmen of the Stark to seek to shift the responsibility for their deaths in an effort to curry favor with a regime that is Iran's mortal enemy and America's dubious friend.

The admiral commanding U.S. naval forces in the Gulf says the Stark was unprepared for hostile action because its officers

had no reason to fear Iraq. That is a statement of astounding implications. The Stark and other U.S. ships patrolling the Gulf war zone are supposed to be serving the neutral purpose of keeping an essential international waterway open. They are not there in unannounced aid of an alleged ally.

The Reagan administration has now moved additional war ships closer to the Gulf. What it should be doing is demanding that other countries share more of the burden and the risks of assuring free movement of oil through the Gulf. What it should be doing is forgetting about its ill-conceived plan to put Kuwait's oil tankers under the supposed protection of the American flag.

— THE LOS ANGELES TIMES

From Six World Leaders, A Plea for Disarmament

This statement, written by Raúl Alfonsín, president of Argentina, was signed by him; Miguel de la Madrid, president of Mexico; Ingvar Carlsson, prime minister of Sweden; Rajiv Gandhi, prime minister of India; Julius Nyerere, president of Tanzania; and Andreas Papandreu, prime minister of Greece. It was released Friday in their capitals.

THREE years ago, on May 22, 1984, we demanded that humanity's survival should not be jeopardized by the threat of a nuclear catastrophe. Today, we make an appeal not to jeopardize the opportunity, to start a process of nuclear disarmament.

Since our first appeal, we have welcomed the resumption of the dialogue on nuclear and space issues. At the Geneva meeting in November 1985, President Reagan and General Secretary Mikhail Gorbachev declared that "a nuclear war cannot be won and must never be fought." At Reykjavik, there was a clear demonstration that given political will, far-reaching agreements on nuclear disarmament measures could be achieved.

Disarmament negotiations are now at a crucial point. There is a real possibility for an agreement in at least one important area. A breakthrough on the issue of nuclear arms in Europe appears to be within reach.

An agreement to eliminate all intermediate nuclear forces from Europe would be of considerable significance and would constitute the crossing of an important psychological threshold, since, for the first time, it would lead to mutual withdrawal and destruction of fully operational nuclear weapons systems. We, therefore, urge the United States and the Soviet Union to conduct their current negotiations with a view to bringing them to a successful conclusion during 1987.

However, an agreement on intermediate nuclear forces would be only the first step toward our common goal: the total elimination of nuclear weapons everywhere. In the New Delhi and Mexico declarations, we had called for two important measures — a halting of all nuclear testing and the prevention of an arms race in outer space. We reiterate the crucial importance of these measures. In Mexico, we made a concrete offer on verification of a ban to nuclear testing. That offer remains.

For too long, fear and mistrust have prevented progress in disarmament. Arms and fears feed on each other. Now is the time to break this vicious circle and lay the foundation for a more secure world. The present momentum should not be lost. We urge President Reagan and General Secretary Gorbachev to live up to this challenge so that future generations are spared the nightmare of a nuclear holocaust.

The New York Times

The Fallout Of Citicorp's Gutsy Move

By Robert Rowen

WASHINGTON — Everybody in the financial markets saw it coming: When Citicorp, the holding company for Citibank, said that \$3 billion of an estimated \$15 billion in its foreign loans might never be paid off, the only surprise was why it had taken so long for at least one institution to face reality.

Notwithstanding, Citicorp's bold action "clearly jars the financial system," said Felix Rohatyn of Lazard Frères, the investment firm. "It's a fissure running up and down the walls. Right now, you can't tell how far it's going to go."

It has been painfully clear for years that much of the Third World's \$1 trillion debt would never be repaid. Yet, it was allowed to continue growing. Commercial banks, with the government urging them on, preferred to lend additional money so that borrowers could pay interest on the old loans. That maintained the fiction that the loans were good.

Thus, the banks could avoid what Citicorp finally owned up to: acknowledging that many of its loans were bringing in no earnings. In Citicorp's case, there was a gutsy decision to take a record loss of profits amounting to \$2.5 billion in one quarter.

The U.S. government has been playing tricks with reality, too. In an effort to buy time, Treasury Secretary James Baker devised a complex debt plan in 1985. He recognized that the strategy of putting debtor countries through an economic wringer was no longer useful, and that economic growth was essential.

He called for commercial banks to lend \$20 billion in new money, while the World Bank and other multilateral development banks would add \$9 billion; borrowers were supposed to "reform" their economic systems to become more market-oriented. An implicit part of the deal was that the World Bank would take the lead in managing the debt crisis.

But the Baker plan came a cropper. Commercial banks resisted throwing good money after bad, and many politicians in Latin America balked at the "reforms." The World Bank mandate was never really spelled out, and what it really meant, said Barber Conable, the bank's president, was "acceptance of additional risk and additional burdens by the World Bank."

Citicorp's action, meanwhile, implies that fewer, not more, resources will be committed by commercial banks to salvage the Third World mess. This may have dealt the Baker plan a mortal blow. "It is hard to imagine," said Mr. Rohatyn, "that it will lead to anything except a sharp reduction in lending by the banks."

Major borrowers like Brazil or Argentina, he said, may decide that "if it looks less likely that they are going to get more money, and that loans will be written down, they will say, 'Why not act unilaterally ourselves in respect to debt service?'" So the underpinning of the Baker plan appears in jeopardy.

It will take time to assess the fallout from the Citicorp decision. Although Federal Reserve and Treasury officials say other banks do not necessarily have to follow Citicorp's lead, auditors and independent directors may worry about being charged later with imprudence if they, too, do not write off bad debts.

Clearly, it is time for all borrowers and lenders, working together, to hit the bullseye on debt and face reality as Citicorp did. The nations headed for next month's economic summit conference in Venice, meanwhile, should seize on the Japanese offer of up to \$30 billion in additional capital for debtor nations, and designate the World Bank to work out a plan with Japan on scheduling and disbursement. If little new capital is to come from commercial banks, Japan's generous offer (and it might be increased) looks like the only new source of money for debtor nations.

The Washington Post



Irangate: Congress and the Media Need Some Deflating

By Charles Krauthammer

WASHINGTON — The Reagan administration is taking a daily drubbing in the Iran-contra hearings. Deservedly so. The Iran swap was utterly misconceived and aid to the contras very likely illegal. Yet as the administration stinks under these revelations, two other institutions — Congress and the media — back in the limelight. They are trying to be dignified, affecting a more-in-sorrow-than-in-anger tone, posing as dutiful guardians of the public weal.

Spare us the sanctimony. Humility is more in order. On the issue of ransoming hostages and aiding contras, no two American institutions have more to be embarrassed about. First the media. The New York Times has noted that "something interesting" has happened "since the Iran-contra affair burst into the headlines six months ago. . . . The Beirut hostages are off the front page." But the Times ventures no theory as to why "finally and mercifully" the media have dropped their seven-year-long hostage obsession.

The reason is simple. Hostages are no longer chic. The media, as always, scurry to the right side of the zeitgeist. So long as neglecting hostages was a stick with which to beat a president, the press would not let go of the story. Now that ransoming hostages is the stick, the press picks it up casually and wonders how anyone could be so foolish as to bargain with terrorists in the first place.

The welfare of hostages had been an extraordinary preoccupation of the mass media. I would bet

that more media time was spent on the U.S. Embassy hostages in Tehran than on any single foreign policy story in U.S. history (world wars excepted). As for Congress, its main focus in the hearings to date has been on contra aid. For Congress minutes to examine the record of administration officials for violating congressional will on contra aid is, of course, a constitutional prerogative. But the air of moral superiority of some congressional inquirers is hard to take. Contra policy has not exactly been Congress's finest hour.

In fact, there is not one congressional contra policy bill five. Contra-1, which went into effect on Dec. 21, 1982, was based on the first Boland amendment. It said that the United States could support the contras, but not to overthrow the Nicaraguan government. That law was so absurd, and so recognized as guaranteeing deception and disinformation, that it had to be thrown out. Hence Contra-2, which went on Dec. 8, 1983. It allowed \$24 million of contra support, no Boland strings attached. Then 10 months later, Contra-3: Under a second Boland amendment, Congress cut off all aid to the contras.

Then, less than a year after that, Contra-4: Yes, the administration could help the contras with \$27 million, but only in humanitarian aid, another absurd compromise which guaranteed deception. Guerrillas do not keep neat books. Whatever mon-

ey you give to buy food and blankets is money that is freed up to buy bullets and bayonets. What, after all, is the point of giving humanitarian aid to a guerrilla army? Either you help the army with its war or you cut it off. To give it money for beans and bananas is a typical congressional compromise. The Reagan administration, of course, collaborated in this compromise. But the administration is being amply punished, while Congress now assumes the pose of aggrieved bystander.

Then, on Oct. 18, 1986, Contra-5, which grants full, \$100 million support to the contras. And this summer Congress will proclaim Contra-6. Odds are that Congress will decide that, the executive having been insufficiently attentive to its last five directives, aid will be cut off once again.

Congress is a shifting coalition of interests and factions, and so should be circumspect about conducting foreign policy, particularly on an issue on which it has shown itself incapable of defining a coherent policy. There is a reason why the constitution assigns primary responsibility for the conduct of foreign policy to the president and not Congress. The Boland saga is a case study.

This administration deserves to be brought low for the Iran folly and the contra diversion. But for the media and Congress, with their records, to be allowed to knit self-righteously at the guillotine is testimony to the proposition that politics has nothing to do with justice.

Washington Post Writers Group

How the New Green Revolution Could Bring Famine

By Giles Merritt

BUSSELS — Once the Cinderella of world politics, agriculture now ranks alongside arms control as one of the uglier sisters. But the politics of food will soon eclipse all other problems.

Few people have grasped this shift. The public eye is still on industrial upheavals and trade disputes over manufactured goods. But before long, food and farm tensions will prove to be more far-reaching and divisive.

Farm surpluses are already the leading problem for the world trading system. Agricultural subsidies paid for from industrial wealth are being used by both the United States and the European Community to dump billions of dollars' worth of wheat and farm produce on world markets. The immediate danger is that the beggar-my-neighbor competition between

Europeans and Americans to export these surpluses will wreck the upcoming GATT negotiations in Uruguay.

But there is a bigger danger. It concerns the biotechnology revolution that is about to break over our heads. At first sight, this promises agricultural self-sufficiency for Third World countries and cost savings for hard-pressed farmers everywhere. On closer inspection, it raises the specter of chaos in the rich countries' farming communities and more famine than ever in the developing countries.

Several multinational chemical and pharmaceutical giants — Monsanto, Eli Lilly, American Cyanamid and Upjohn — are due to begin introducing the first of a new generation of biotech products to European farmers next year. Bovine somatotropin, or BST, is a growth hormone produced by gene-splicing that offers increases of 15 to 20 percent in milk yields without extra feed costs.

BST's full effects will not be felt immediately. Doubts about genetic engineering have braked the advance of biotech in Europe and America. BST may have a serious impact on the dairy sector before the mid-1990s. But its implications are clear.

Small farmers, including the four-fifths of European dairy farmers with fewer than 10 cows, will be better able to resist the economic pressures pushing them to the wall. Big farmers, the 20 percent who produce 80 percent of the EC's milk, will be pumping out super-profits. In the cereals sector a similar story is likely for researchers are working on revolutionary new hybrid wheats.

These breakthroughs, if properly handled, could be the Third World's salvation. To cope with their rising populations, the world's poor countries need what amounts to a miracle.

Many African countries will have to double their present crop yields to avoid widespread famine.

Biotech offers the hope of such a turnaround. And through techniques like tree cloning it offers hope of an end to Africa's firewood problem. Yet, it also threatens to make matters worse. Unless the Western industrialized countries radically restructure and streamline their own farm sectors, biotech will allow them to swamp Third World countries with huge quantities of farm exports, driving peasants off the land.

The situation is alarming. Cheap food from America and Europe is destroying the developing countries' agricultural economies. Since 1960

their grain imports have quadrupled, and at \$21 billion a year are as much an economic headache as oil imports. The latest wave of subsidized U.S. and EC farm exports are creating a particularly vicious circle. They undercut local farm prices and discourage local farmers, and that reduces local farm output and so further increases the need for imports. By the year 2000 the Third World's cereal imports are expected to double again to 200 million tons a year.

Biotechnology may turn the farm-support systems of Europe and America from farce to tragedy. The crucial policies still to be devised will be those that keep Third World farmers on their land until the biotech revolution reaches them too.

International Herald Tribune

IN OUR PAGES, 75 AND 50 YEARS AGO

1912: Taft's Hopes Dim

NEW YORK — There is not an impartial political judge today who does not believe that Theodore Roosevelt will win at Chicago when the convention meets on June 18. Thirty-two of Ohio's 42 district delegates were secured by Mr. Roosevelt [on May 21], and it is probable that he will have the six delegates at large which Ohio's State Republican Convention will select. Had Mr. Roosevelt's success been less decisive, there might still have remained a slight hope for Mr. Taft. The President's repudiation by his own State, however, means that only a miracle can save him.

WASHINGTON — Many Republicans say they have abandoned hope of Mr. Taft's renomination. One effect of the Ohio vote will be to further shake the allegiance of instructed delegates from the South and pledged delegates from New York.

1937: Caution on Spain

BERLIN — The British proposal for a truce in Spain to enable the withdrawal of foreign volunteers was received favorably in German official circles [on May 22], but emphasis was laid on the necessity of the evacuation of all foreign elements, including political and military advisers and other foreign agents. In the "Hamburger Fremdenblatt," which seems officially inspired, it is stated: "The sooner international cooperation succeeds in stopping bloodshed in Spain, the better for this unhappy country and the peace of Europe."

ROME — Although official silence continues, press and semi-official comment indicate that the proposal will not have a favorable reception here. The British maneuver is generally regarded as a maneuver to deprive the Spanish Nationalists of victory, which, it is believed, cannot be far off.

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ARTS / LEISURE

Rarities and a Patchy Price Pattern at Drouot Sale

PARIS—Rarity cuts both ways in the art market. When it applies to a category that looms large in public awareness, it sends prices soaring. When it concerns objects of art familiar only to a handful of connoisseurs, it results in a patchy price pattern, from total failure to sell to an occasional outburst when two determined collectors are pitched against each other.

The point was repeatedly made at Drouot in the course of a sale of antiquities conducted by the Laurin-Guilloux-Buffetaud-Tailleur group on May 19 and 20. From the buyer's angle, it was a wonderful sale with a diversity in the range of offerings seldom matched by London or New York auctions. This partly because its hard core consisted of two French collections built up over many years and partly

because Paris auctioneers are willing to handle pieces that go for very little money. Many objects were selling under 3,000 francs (\$500), some even below the 600-franc (\$100) level, including two fine Merovingian ivory combs of the sixth century. This could not happen at Christie's or Sotheby's where there is an unofficial ban on anything valued at less than \$400 (\$670), effectively ruling out many highly interesting rarities.

SOLREN MELIKIAN

Characteristically, the most expensive work of art was an Egyptian stone carving that sold for 719,652 francs. Top quality Egyptian sculpture is hard to come by these days. Nevertheless, this is a huge figure for a fragmentary piece

of a late period, probably the seventh century B.C. The torso of a lady of the court, broken off below the breasts, is missing its arms. The face is severely damaged. It took a clever photographer's trick to restore for the catalogue the subtle smile that once lit up what must have been an admirable sculpture.

Such poor condition might easily have resulted in failure to sell. But ancient Egyptian art has been the object of numerous exhibitions that have drawn huge crowds. Many coffee table books have come out, films have been shot on ancient Egyptian locations, operas are performed in ancient Thebes, all building up the image of Pharaonic Egypt. While the buyer of a work such as this may be a sophisticated collector, he has to compete with minor museums, dealers and even interior decorators catering for the very rich in the United States.

The contrast between the successful Egyptian torso and a Phoenician bronze figure believed to have come to light in the Damascus area could not be greater. The Phoenician object has all that a collector could wish for. The sizeable piece, 17.5 centimeters (almost 7 inches) tall, is in excellent condition. The dark reddish brown patina adds to the attraction of the superbly cast bronze. The feminine figure, with the right forearm held forward, fist clenched, and left forearm raised at a low angle in some kind of salute, betrays Egyptian influence in its hairdo and its long narrow robe, as is common in the Syrian area at that period.

Aesthetically it belongs to a different world. The legs are too short in proportion to the bust and the head is too big for the shoulders. The beaming face with huge eyes, at one time perhaps inlaid with shells, harks back to Sumerian art of the third millennium B.C. The overall effect aims at a kind of

expressionism unconcerned with the balance and timeless dignity typical of Egyptian art at the same period. It is far more in tune with the mood of our own age, a factor that should have boosted it.

But the piece was handicapped by its unfamiliar appearance. Not one piece of this type has turned up at auction within living memory.

The few parallels are scattered in two or three museums — the National Museum in Damascus, the Louvre in Paris. It simply did not register with collectors and was sold for a mere 196,012 francs. The bargain was snapped by an experienced dealer, Jerome Eisenberg, whose Royal Athena Galleries are in New York and Beverly Hills.



Egyptian stone carving, probably 7th century B.C.

Had it been sold at Christie's or Sotheby's, with better exposure to the international market, it might have done substantially better, but only because more dealers representing major museums would have been fighting over it. It will end up in some top level institution such as the J. Paul Getty Museum or the Cleveland Museum of Art.

The auctioneer had better luck with another object of extraordinary rarity, a Celtic bronze pyxis with champlevé enamel. The hexagonal box with three short feet and a flat top is one of only eight recorded pieces and none has ever been in an auction catalogue. The purely geometrical decoration in square panels and horizontal bands must have been dazzling when the red, yellow, black and white enamel was in pristine condition. As a result of surface corrosion, much of the enamel now has a drab brownish and grayish appearance and the bronze bands are in need of some very delicate cleaning. A ring is missing on the top and the feet have been restored. It is nonetheless a dream piece.

In the last four years very high prices have been paid for the more spectacular Celtic works of art that have surfaced at wide intervals. The current record is held by the bronze arm ornament with swirling motifs in low relief — the finest in Celtic art — sold at Christie's for £70,560 (about \$105,800 at the time) in July 1986. At 334,950 francs, the pyxis can be considered to have sold reasonably well, although certainly not outrageously from the buyer's viewpoint. The Musée des Antiquités Nationales at Saint-Germain-en-Laye, near Paris, France's national museum for antiquities down to early Christian times, did the sensible thing. It acquired the object by substituting itself for the last bidder as the French "preemption" procedure

allows national museums to do.

Other rarities did not fare nearly as well. Among carvings, top marks for beauty must go to a limestone head of the third of fourth century from the Near East. The idealized face bears the stamp of Hellenism in its Near Eastern version, without the merest concession to psychological characterization. The hair band with low relief scrollwork reproduces some silver or gold prototype decorated in a Persianizing style. The 27-centimeter head, believed to have been found in Syria, is splendid but disconcerting. It ended up at a modest 40,296 francs, paid by Eisenberg.

This is a giveaway compared with the 68,187 francs for a fragmentary alabaster head in the early Byzantine style cultivated in Aphrodisias. Its top blown off, nose smashed, side damaged by recent dents, the piece, only 15 centimeters high, sold better than the Syrian head only because it is much easier to apprehend.

Easier still, and proportionately more expensive, is the marble portrait of Agrippina. The 32-centimeter piece, datable to the second third of the first century, came to light in southern France at Nîmes, pelisse, ancient Nîmes Palatin, near Montauban. Despite its condition — nose and upper lip smashed, hairdo badly worn, dents and surface staining — it rose comfortably to 145,995 francs.

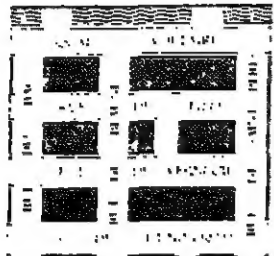
Similar contrasts can be followed all the way down the price scale. Many among the rarest pieces were the cheapest. The two Merovingian combs mentioned earlier are unobtainable and made more interesting still by the fact that they are known to have been found in Lyon. Yet competition for them was confined to two dealers, one a native of Lyon, who wanted them for his own collection, and Eisenberg, who collects combs and



Phoenician bronze bargain.

got them at 612 and 530 francs, not madly overpaid. Earlier in the sale a black earthenware shallow bowl with an incised star pattern on the underside in the best Villanovan style of the seventh century B.C. (rather than Etruscan, as the catalogue states) could be had for 1,176 francs. This kind of ware, does not drop up often enough to whet the appetites of most collectors. In collecting as in other human pursuits, the prevalent tendency is to keep up with the Joneses.

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The Art of Wool-Painting

By Terry Truico New York Times Service

LONDON — "I'm a romantic," said Kaffe Fassett as he sipped his mint tea. "I love the richness of pattern, the over-the-top lushness you get from lots of colors."

He held up a heavy wool sweater in bold autumnal tones. "This sweater has more than 100 colors in it," he said. "You might wear it for a year before you realize that

there's that bit of rust or blood red."

For more than 20 years, Kaffe (rhymes with safer Fassett, a 49-year-old native of San Francisco, has worked in London designing sweaters and knitwear with an intricate mix of colors and textures.

For much of that time his designs were hardly known. A small circle of stylish fans, including Princess Michael of Kent, visited his airy north London workroom to com-

mision one-of-a-kind sweaters. He also worked on knitwear collections for several prominent fashion design houses, including Missoni. More recently, he has designed knitting and needlepoint kits that are sold in Britain and the United States.

In 1985 his book "Glorious Knits" — a collection of his designs and patterns — was published by Crown. "It was a grown-up book for knitters, with most of the designs calling for at least 20 colors," Fassett said.

The book became an international best seller, with more than 150,000 copies sold to date, more than a third of those in the United States. On June 24 and 25, Fassett will lecture at the Fashion Institute of Technology in New York. This fall, "Glorious Needlepoint" (Crown), another book of his yarn designs, will be published in the United States. In October 1988, the Victoria and Albert Museum in London will host a retrospective exhibition, featuring 150 knitting and needlepoint designs, many inspired by objects in the museum and created just for the show. This will be the museum's first one-man show for a contemporary textile artist.

As he slipped on a knee-length knitted coat emblazoned with big blue-and-white patterns, Fassett explained that the design came from an antique jar on view at the museum. Among the other objects he has translated into yarn designs are Islamic bowls, Chinese jars, Victorian fans, African sculptures and even "some weird little snuffboxes with faces." These designs often turn up as figurative images on his needlepoint pillows and rugs, although for knitted clothing he usu-



Kaffe Fassett in his workroom, and (above) one of his needlepoint cushions.

knit on the train back to London. He still has the striped cardigan he made, now peppered with "sweet little moth holes," as he calls them.

He stopped painting and started getting up every day at 6 A.M. to knit. "At that time you weren't considered a serious artist if you were involved with textiles. But once I started, I couldn't give up. I thought if art doesn't allow you to get involved with something as creative as textiles, then fiddle-dee-dee."

DOONESBURY



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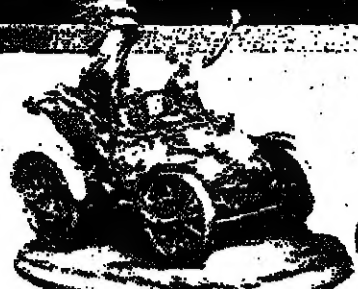
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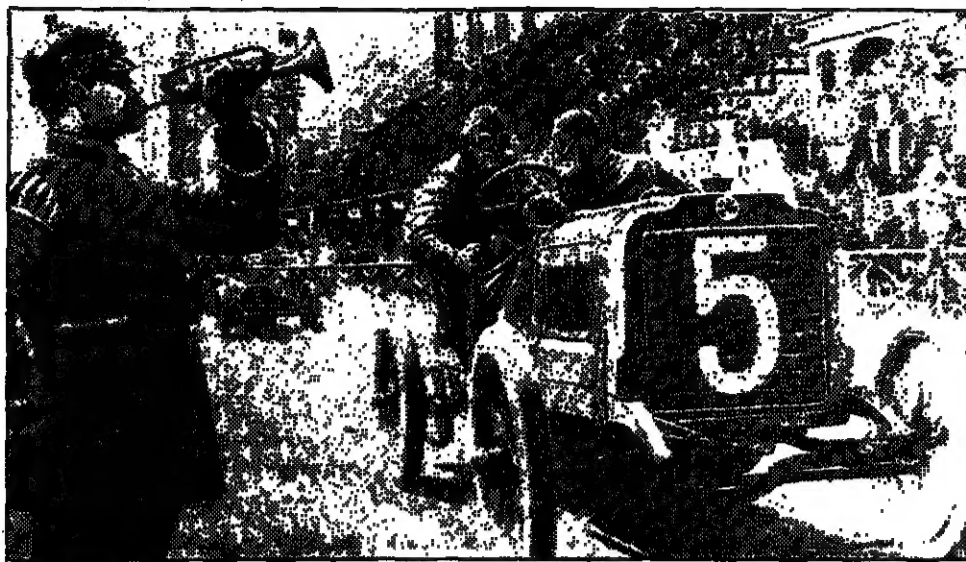
Vintage-car rally commemorates the Gordon Bennett Cup of 1904 as part of the International Herald Tribune's centennial celebrations.

It was the biggest automobile race ever held in Germany. Nothing since has drawn the million spectators that lined the 85-mile route of the 1904 Gordon Bennett Race in the Taunus Hills, near Frankfurt.

It was probably Germany's most gala automobile race as well. Kaiser Wilhelm II headed a glittering array of personages from royalty and aristocracy to the social elite. In those days, the motoring world was intimately linked to high society.

Homburg (now Bad Homburg) was the center of social activities. Fashionable ladies and gentlemen dined on the terrace of the Ritters Park Hotel, or took evening strolls in the Kurpark around illuminated fountains and under trees festooned with Chinese lanterns. The two weeks surrounding the June 17 race date were filled with banquets, balls, special theatrical performances, concerts and the like, most of them honored with the presence of the Kaiser.

As for James Gordon Bennett, founder of the race, he was most conspicuous by his absence. He made it a point never to attend one of his races, and in fact never in his life drove an automobile. Gordon Bennett (1841-1918) founded the Paris edition of the New York Herald (now the International Herald Tribune) just a century ago in 1887. He established the Gordon Bennett Race in 1900, and by 1904 the London Morning Post could say that the event "overshadows every other automobile fixture, and has done more than any other com-



Winners of the 1904 Gordon Bennett Race pass the imperial viewing stand.

petition to being automobilism before the general public."

Drivers in the race competed for a 37-pound (17-kilogram) silver trophy depicting an 1899 Panhard with the Genius of Progress at the wheel and the Goddess of Victory standing in the back seat with a laurel branch.

Under the rules of the Gordon Bennett Race, the country entering the winning automobile in one year's race hosted the race in the following year. The first three races, in 1900, 1901 and 1902, were held in France. But then a Belgian, S.F. Edge, won the 1902 race. So the 1903 race was in Ireland (then part of Great Britain). A German car driven by Camille Jenatton won in Ireland, bringing the 1904 race to Germany.

The Kaiser was largely responsible for the selection of the Taunus for the race. He spent his summers in Homburg, and was enthusiastically

involved in the restoration of the Saalburg, an old Roman fort just outside the city which dated from the 1st to 3rd centuries A.D. The Kaiser liked the symbolic connection between Caesar's empire and his own, and designated the Saalburg as the start-finish point on the race's circular route. A Roman-style grandstand was built there, decorated with stonework and evergreen boughs.

The Saalburg-Saalburg route ran via Usingen, Weilburg, Limburg, Idstein, Esch, Königstein, Oberursel and Homburg. This very same route will be used again for the Gordon Bennett Memorial Rally of vintage and historic cars on May 23 this year. This time, however, it is a rally, not a race, and the route will not be closed to traffic as it was in 1904. Also, the rally will begin and end at Bad Homburg, rather than at the Saalburg.

The present rally is being organized by the Automobilclub von Deutschland (AvD), successor to the Kaiserlicher Automobilclub which organized the 1904 race. The distance around the circuit was (and is) 85 miles (137 kilometers) and drivers in 1904 were to circle it four times for a total distance of 340 miles (548 kilometers).

No expense was spared in preparing for the event. There were elaborate precautions for keeping people off the road during the race. At a few points wooden bridges were constructed

to carry intersecting traffic above the race route, but most intersecting roads and paths were sealed off with wire fences. Soldiers were stationed at intersections as an additional precaution and fences were constructed wherever large numbers of spectators were expected to gather.

The roads, mainly unpaved in those days, were sprayed with a concoction called "Wesprimite" to keep the dust down. One newspaper remarked that he would have preferred the dust to the stench of this petroleum and ammonia mixture. All checkpoints along the course were connected to the Saalburg by telephone, telegraph and wireless telegraph.

The day of the big race began beautifully. It was warm but a breeze from the hills tempered things. Homburg was abuzz with excitement well before dawn. By 3 a.m., stores were open; soon after, huge crowds were swarming out to the Saalburg. The Kaiser, in the uniform of a hussar general, went out, accompanied by the Kaiserin, in a state carriage with outriders, and was in the imperial box before the scheduled start of the race at 7 a.m. All around, hawkers were busy peddling cold beer, sandwiches and fresh strawberries. Several bands played in different parts of the stands and, thanks to the Kaiser, children had been given a day off from school.

The stakes were high and everybody had a favorite. Two

previous winners, Jenatton and Edge, were among the 18 intrepid gentlemen racing this day. The overwhelming majority of the fans were German, and they were hopeful that Jenatton would repeat his feat of the year before. The British wanted Edge to repeat his feat of two years previously and the French had spared no pains in their effort to bring the trophy back to their country after a two-year absence. The equally hopeful Italians had sent a big contingent of cars, drivers and mechanics up from the Fiat plant at Turin.

A simultaneous start was impossible in view of the narrow Taunus roads, so the winner would be determined by time. Cars were to start at precise seven-minute intervals, beginning at 7 a.m.

The first to go was Jenatton in a Mercedes. Under the rules of the race the automobile representing a country had to be made in that country, down to the smallest detail. There was, however, no requirement that the driver be of the country in question. And, indeed, Camille Jenatton was a Belgian.

Each country was furthermore restricted to a maximum of three cars. One of Germany's other entries was another Mercedes driven by another Belgian, Baron Pierre de Caters. But the sentimental favorite as far as the Germans were concerned was Fritz Opel in an Opel-Darracq. He was a son of Adam Opel, founder of a bicycle firm that two years previously had gone into automobiles, and his was the only German entry with a German driver. Nobody had studied the course more painstakingly than Fritz Opel.

Still, the crowd had respect for the man who had won last year, and cheered as Jenatton was flagged off at precisely 7 a.m.

Great Britain's ex-champion, S.F. Edge, was the second to go, at 7:07 with a Napier. He was a debonair fellow who said he trained for a race on sponge cake and champagne.

The third to start was Wilhelm Werner who, though German, was driving for Austria in an Austrian-built Mercedes. At 7:21 Vincenzo Lancia roared off for Italy in a Fiat, to be followed at 7:28 by France's main hope, Leon Théry in a Richard-Brasier.

Prince Heinrich of Prussia, the Kaiser's brother, was on hand to wish luck to Baron de Caters, Germany's second entry in a Mercedes. But just before he was to start, the Baron's motor stalled and he

couldn't restart it. Mechanics rushed out, but couldn't start it either. Minutes after precious minutes ticked away while the Baron sweated and the German fans agonized. Another car was flagged away and still the mechanics worked. A short circuit in the ignition had cost the Baron 14 minutes.

With de Caters apparently out of the race, more German hope than ever was invested in Fritz Opel, whose start, though among the last, went off without difficulty. By the time all cars had been waved off, two hours had elapsed and it was almost time for cars to start finishing the first lap.

The trumpet that was to herald the start of the race was heard at precisely 7 a.m.

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(Continued on page 8)

THE NEW YORK HERALD.

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THEY'VE VICTORY BRINGS COUPE INTERNATIONALE TO FRANCE.

French "Chauffeur" Brings His Georges Richard Brasier Automobile First to the Finish.

RECEIVING FLAUNTS OF THE GENERAL EMPEROR.

Wishes Were Regularly From Paris to the Winner of the 1904 Gordon Bennett Race.

HOLDER OF CUP IS SECOND.

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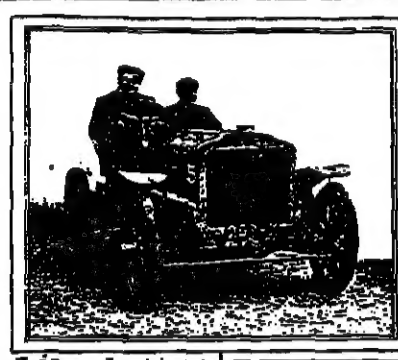
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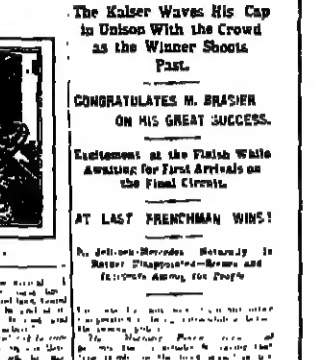
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Today's Celebration

The Coupe Gordon Bennett starts on May 23, at 9 a.m., on Brunnenallee between the casino and the Kurzentrum (spa center) in the Kurpark, Bad Homburg, near Frankfurt. Some hundreds of cars, dating from 1897 to 1942, depart at one-minute intervals for the 140-kilometer (84-mile) route via Saalburg, Usingen, Weilburg, Limburg, Idstein, Kronberg and Oberursel. The first cars are expected not before 1 p.m. at the finish line at the Kurhaus (Hotel Maritim), Bad Homburg. Sunday, all the veteran cars will be on display on Brunnenallee from 10 a.m. to 1 p.m. A Gordon Bennett historical exhibition is being held in the lobby of the Kurtheater until May 31, then in Goetshaus, June 3-21.

Along the Route: Towns Worth Getting to Know

A town famous for a gambling casino and a bar, a little Versailles in the highlands outside Frankfurt and a medieval preserve of half-timbered houses — this is the rich background against which the Coupe Gordon Bennett will be run. While contestants won't have time to take a closer look, spectators will, and should. Each of these places makes a pleasant side trip into the countryside.

Today's rally starts and ends in Bad Homburg, a small town of some 35,000 people. Long known as a spa and the home of a celebrated gambling casino, the townsfolk like to call it "the mother of Monte Carlo." Now a part of Frankfurt's richer suburbia, it is also the site of federal government agencies, "clean" industries and the offices of German and multinational companies. Bad Homburg has been the home or stopover of a number of enterprising figures.

Wolfgang R. Assmann, mayor of Bad Homburg, has a keen interest in his town's long

history and is eager to share glimpses of its colorful past.

Friedrich II, "a baroque man of action" and the most important *Landgrave*, or count, of Hesse-Homburg, "was a kind of Sun King of Bad Homburg," Assmann notes. He erected the Homburg castle (1680-85), built up the town (which then had only 1,200 people) and provided sanctuary for Huguenot and Waldenses, religious refugees whose French names can still be found in this area. Friedrich II is the Prince of Homburg depicted in Heinrich von Kleist's play of the same name. As a young man, Friedrich fought boldly against the Swedes and was badly injured, losing a leg in a decisive battle, where three of his horses were killed. A local craftsman fashioned Friedrich's famous "silver leg," which enabled him to walk without a limp. "The leg is still here in the Castle Museum," Assmann points out. "A few years ago, it was taken apart — the 'silver leg' did not contain a gram of silver, but it still worked perfectly."



Bad Homburg's castle with its characteristic white tower.

In the 19th century, French twin brothers Louis and François Blanc were called to the aid of Bad Homburg. The town's mineral springs had been rediscovered, but "for a spa to be a success then, going there had to be a social event," Assmann says. The twins, forced to look for a new venue by the closure of all casinos in France, were persuaded to come to Bad Homburg and start a casino in the Kurhaus in 1841. "Within a short time, everyone from St. Petersburg to Paris who was

interested in going to a spa was talking about Bad Homburg." The town was especially popular with Russians, including Dostoyevsky, who tried to regain his losses by writing about Roulettenburg in his novel "The Gambler."

When the Prussians announced that casinos would be closed, François Blanc, whose brother had since died, looked around for a new location. He acquired the casino in Monte Carlo, starting it with Bad Homburg personnel and run-

ning both places until the Bad Homburg casino had to cash in the chips for the last time in 1872. The Blanc family moved to Monte Carlo and eventually, as Assmann adds, "their daughters married into European royal families."

The present Bad Homburg casino has been in operation since 1949, licensed by the state of Hesse. "The lion's share of the profits go to the state of Hesse, and the smaller, but not unimportant part, to Bad Homburg," the mayor says. "The casino is certainly the warmest spring we have in the spa park."

Assmann estimates that from the late 19th century and until World War I about a third of the spa visitors came from England. One of the most famous was Queen Victoria's son Edward, later Edward VII, who as Prince of Wales met here often with his nephew, Kaiser Wilhelm II. One of the best-dressed men of his times, Edward wanted a version of

(Continued on page 12)

A First-Hand Account of the Gordon Bennett Race

CARL Neubronner, now 91, was one of the million people who watched the 1904 Gordon Bennett Race. He and his older brother were there with their father, a pharmacist and pioneer amateur film photographer, to help him with his cumbersome movie camera equipment.

"We stood at one point for hours," Neubronner recalled. "We never saw two cars at the same time. They had to go around the route four times and we had to wait. There was a great deal of waiting. We couldn't tell where a car was in the race, whether its time was good or bad. People applauded loudly when a car went by."

"It was not as exciting as modern auto races, with cars passing each other and so on. These were autos with two people in each one and travelling on country roads."

"The next day we saw in the newspaper who won."

He added: "But the atmosphere! Imagine, a million people had come to see the race at a time when only one in a thousand had a car. There were no buses. It was a great undertaking for people to get to where the race was held. Some had two-horse carriages. There were wagons with 20 people in each, pulled by horses. Some people took the railroad to Kronberg and then walked. It was not possible to take the railroad to

most places then. The people we saw all came from Frankfurt, Wiesbaden and Darmstadt. Some walked here. People camped along the route."

"It was a sensation! People looked at the race as an event. They had no connection with autos. The car was a foreign body. The weather was good. And it cost nothing. You shouldn't forget that."

Dr. Neubronner's father, Dr. Julius Neubronner, owned a prominent pharmacy in Kronberg that supplied the Kaiser and other visiting royalty. He did not have a car or a horse-drawn carriage, so he and his two sons walked from Kronberg, and positioned themselves at an intersection.

From there, they could see almost half a mile (about 800 meters) along the race route. The one moment of excitement occurred when a French entry lost a right wheel and had to stop. There was no serious damage to the car. But the incident was too far away to be photographed. Otherwise, the racers passed at about 50 kilometers per hour (56 mph) — "because it was downhill there" — and were recorded for about 20 seconds on film by Dr. Neubronner.

Dr. Neubronner used a narrow film in which the perforations were between the frames, not along the sides. This short-lived idea, which was thought to prevent ripping, required

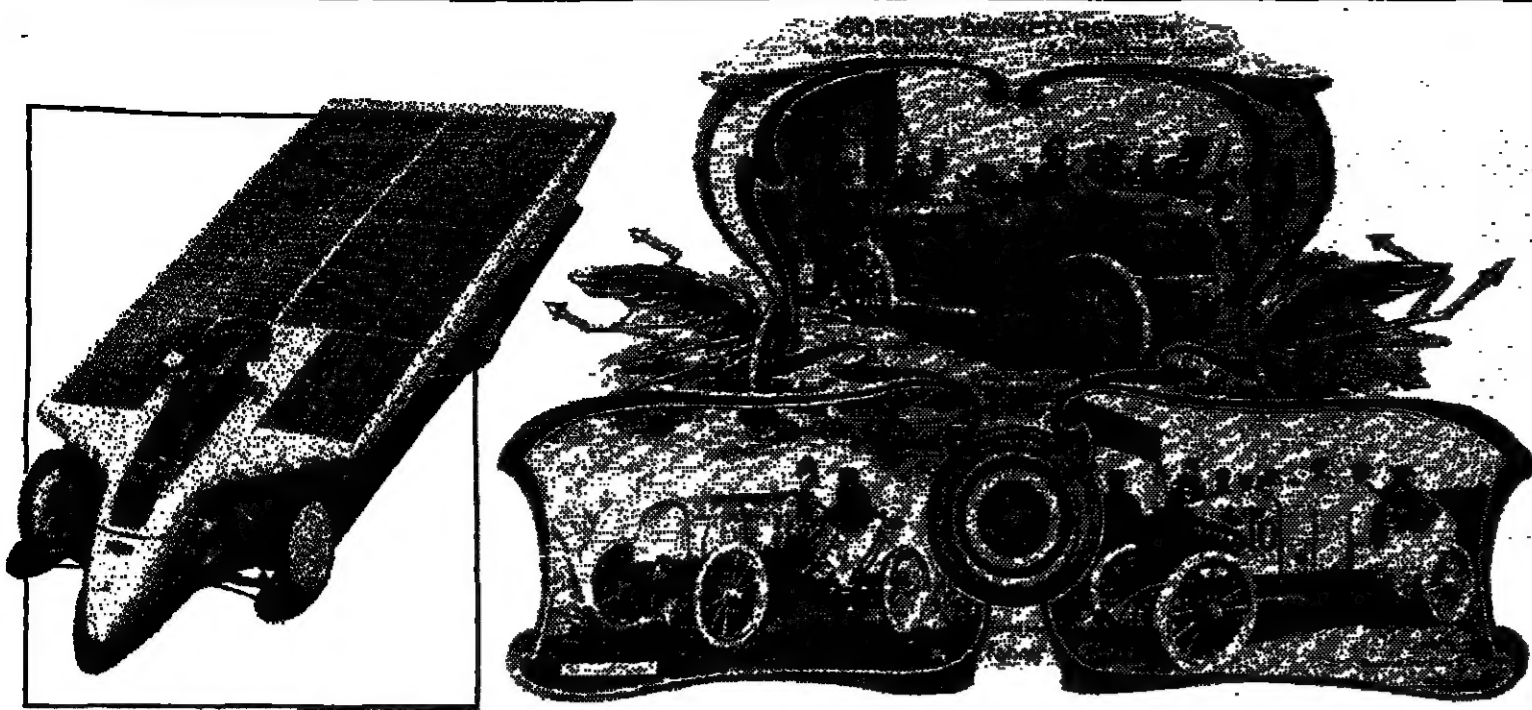
that the film be sent to the manufacturer, Ernemann in Dresden, to be developed. "Only then did you find out if you had anything on the film," Neubronner said. "You had to be very fanatical to make all the effort."

The fanatical amateur photographer also invented a still camera for pigeons to make aerial photos and a system for pigeons to fly drug prescriptions in emergencies, which the Deutsches Museum in Munich honors as the first use of homing pigeons in medical service. The same science museum also has a copy of the first rocket-powered aircraft, invented as a model plane by Carl Neubronner at age 16.

For young Neubronner, then age 8, and the other youngsters in the area, "the actual day of the Gordon Bennett Race was seen with regret," he recalled. "For days before the race, there were autos in all the barns in Kronberg and we could talk with the drivers. The smell of gasoline was in

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In addition to the vehicles of yesteryear, a car of tomorrow will be seen in Bad Homburg. The solarobile (also called a solarcar) was jointly developed and built by the training department of Daimler-Benz AG in Untertürkheim and Sindelfingen and Alpha-Real AG, Zurich. Powered by an AEG solar generator, the vehicle is capable of speeds up to 71 kilometers an hour (44.2 mph) and won the Tour de Sol, Europe's first rally for solar-energy cars. Driver Peter Bauer, 23, an auto mechanic with Mercedes-Benz Switzerland, won all five stages of the 368-kilometer (228.6-mile) course from Romanshorn on Lake Constance to Geneva. The solarobile is not a participant in the Coupe Gordon Bennett and will limit its appearance to Bad Homburg's Kurpark (Spa Park).

Fair Organization Trends: The Case of Frankfurt

In the year 1240, the Emperor Friedrich II, grandson of the legendary Frederick Barbarossa, guaranteed his special protection to merchants from the Italian city of

Ascoli who were traveling to the Frankfurt Fair. These days the emperors and the robber barons are long gone, and travel has become at least technically safe. Open borders and interna-

tional markets now make commercial tourism a reliable method of communication.

The Frankfurt Fair has also changed, to say the least. In recent years, it has shifted emphasis from consumer goods to become an exchange for products and ideas, from data technology and design to capital goods, services and future technology, all areas serving tomorrow's supply and demand.

At a time when market saturation is forcing stronger segmentation, fairs want to base their events on problem-oriented concepts that are tailored to today's market demands. It has long been part of the Frankfurt Fair's strategy to adapt not only its events but also its entire infrastructure to the needs of its visitors. This year, the Frankfurt Fair's busy calendar will attract some 2.5 million German and international visitors.

For these visitors, the Frankfurt fairs are primarily, of course, a commercial attraction. They are outstanding market-

ing tools and information exchanges par excellence. Another reason for attending these fairs, many of which are the largest in their fields, is not to be underestimated. Here a particular business and professional world is concentrated in one place for a few days, providing something of an *esprit de corps*, a sense of belonging.

Service for the visitor starts with the favorable location of Frankfurt. It is within a one-day round trip of all major German cities, including a seven-hour day at the fair. The Frankfurt Airport, a hub for domestic and international flights, is close to the fairgrounds: 18 minutes away by train or taxi and 30 minutes by bus. The fair provides 22,000 parking spaces, with shuttle-bus service to the exhibition halls. The Main Railway station, one of the biggest and busiest in Europe, lies only a 15-minute walk away or a 10-minute ride by taxi or scooter. In addition, fair visitors enjoy a special railway dis-

count of up to 40 percent from all stations farther than 51 kilometers (30 miles) from Frankfurt.

The Frankfurt Fair has contracts with hotels in and around the city for 34,000 rooms, and can arrange private accommodation in more than 15,000 rooms. Off-season discounts are available.

In the fairgrounds, travel has been made smoother by a kilometer-long, moving indoor sidewalk, the *Via Mobile* Compass, an electronic information system accessible at all information booths, locates specific stands. The visitor also finds such necessities as forwarders, customs, a post office, shops and banks in the services center. There are 25 restaurants and numerous "quiet zones" in the exhibition halls. Outside, hundreds of new trees have been planted and this year almost a kilometer, or more than half a mile, of park benches as well as water fountains are being installed.

A globally operating company, the Frankfurt Fair has 73 foreign representative offices in 61 countries to inform and assist visitors and exhibitors.

—Dr. Horstmar Stauber, chairman of Messe Frankfurt GmbH, the Frankfurt trade-fair authority.

Frankfurt: Shedding the Gateway Image

A LARGE percentage of visitors to Germany arrive through the "gateway" airport at Frankfurt. And, in the view of Frankfurt citizens, all too many of them hurry off to other parts of the country.

A great effort is underway to shed the city's image as a cold, commercial place with little of interest to the visitor. Such a reputation was never deserved, particularly if the city's surroundings are considered. Those who like old-world gaming will appreciate the casinos in the former royal spas of Bad Homburg and Wiesbaden. The most scenic part of the Rhine, full of castles, vineyards, pretty towns and legends, begins at Frankfurt's doorstep. Büdingen, a medieval town to match Rothenburg, is only a short distance away, and there is deep forest in every direction.

Frankfurt itself has much to offer as well. Nobody who has spent an evening in the cozy apple wine quarter of Sachsenhausen would ever again think that Frankfurt's only business is money changing. Much of Sachsenhausen, which is just across the Main River from the downtown area, has been turned into a pedestrian zone, with shady trees and hundreds of outdoor tables when the weather is right.

The drink in Sachsenhausen is apple wine (hard cider) and the food to go with it includes smoked meats, sausages, cured pork chops and sauerkraut. You can get to Sachsenhausen on weekends aboard the "Apple Wine Express," a merry painted old steamer with piped music.

Frankfurt has a noted zoo, a botanical garden (the Palmengarten), a full range of theatrical and musical offerings, museums, and shopping, notably along the Kaiserstrasse, that can hold its own with any other German city.

The mineral spa of Wiesbaden is only a short distance from Frankfurt, and it is a good place to catch a boat for a river tour of the prettiest part of the Rhine.

Wiesbaden's Wilhelmstrasse, lined on one side with elegant shops and cafes, connects the bustling city with the quiet spa district, the main fes-

ture of which is the "Kurpark" with the magnificent "Kurhaus" containing a gambling casino.

Beyond the "Kurpark," right adjacent to one another, are the German Clinic for Diagnosis and the Aulamm Hotel. The clinic may well be second only to America's Mayo Clinic in its field. It uses all of the most modern techniques (nuclear magnetic resonance, computerized ultrasound) to identify present and developing problems.

Patients come from all over Europe and the Middle East, and since 90 percent of the clinic's work is outpatient, the proximity of the first class Aulamm Hotel is very useful. The

There are articles in this section on the Berlin, Cologne, Düsseldorf, Frankfurt, Hamburg, Hannover, Munich, Nuremberg and Stuttgart areas. Accompanying each is a box with details of American Express package arrangements, including accommodations at first class or deluxe hotels and a rental Mercedes or BMW, that will make a stay in the region particularly enjoyable.

restaurant at the Aulamm offers a warm ambience with local and international specialties and a large wine selection. The bar invites the guests to drinks and snacks and ample parking makes it easy to come by car.

Both Frankfurt and Wiesbaden sit at the foot of the Taunus Hills, a pretty stretch of countryside with many reminders of a royal past. At Bad Homburg, another elegant spa, we find a Siamese Temple and a Russian Chapel, donated respectively by the King of Siam and the Czar of Russia in the

days before World War I, when the spa attracted crowned heads. Another royal visitor was Britain's future King Edward VII, who liked a certain bar made in the city and made the Homburg his standard attire for gentlemen. Kaiser Wilhelm II spent his summers in Bad Homburg and in 1904 was patron of the celebrated James Gordon Bennett Automobile Race.

The Taunus was also the place where the Kaiser's widowed mother, Empress Victoria, spent the last years of her life. She was the daughter of Britain's Queen Victoria and wife of Kaiser Friedrich, who reigned for only a few months before following his father into the grave.

Immediately after her husband's death, a Tudor-style palace was built for the empress in a big park at Kronberg, near Bad Homburg. It now is the "deluxe" Schlosshotel Kronberg, and the meeting place of international society. Guests are impressed with the splendid location, the art treasures and the individually decorated rooms with all comforts. The Schlosshotel Kronberg is the place to stay.

This particular part of Germany has many mineral baths because of the geology of the region. Among the numerous other spas near Wiesbaden is Bad Kreuznach, across the Rhine. It is a charming place with houses built on a bridge across the Nahe River, and it too once drew aristocratic patrons.

The "Kurhaus" there is now a Steigenberger first-class hotel that combines the ambience of another era with the comforts of the present day. It still has high-ceilinged bedrooms and generous terraces on all sides, and some of the food for the dining room is purchased at the local wholesale market. But it was recently renovated and also offers all the amenities the modern guest expects.

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The Gordon Bennett Cup

(Continued from page 7)

aid the approach of each car sounded for the first time. To hardly anyone's surprise it was Jenatton. After all, he had a seven-minute lead going into the race. Again the trumpet sounded, and this time the news was good for the German fans. It was Britain's Edge, and he had lost four full minutes on Jenatton.

Another trumpet sounded, this time with sobbing news for the German fans. It was France's Théry, who had started fifth but now was third. He had passed two other cars and his time on the first lap was a second better than Jenatton's.

All Europe was eagerly awaiting the results. Special telephone and telegraph centers had been set up at the Seilburg and journalists from all over were reporting the action. Crowds gathered around newspaper offices waiting for extra editions that would tell them how the race was going. The next day the Herald and many other papers were to devote much of their front pages to the race.

As other cars completed the first lap, it could be seen that Baron de Caters was driving well. Without the 14-minute delay he would have been right up with the leaders. But the 14-minute delay was a fact, and most fans knew that it was fatal.

Now a worrisome thought started spreading among the German fans. Where was Fritz Opel? It soon became clear that he was no longer in the race, and now Jenatton was the only hope of renewed glory for the Fatherland. Fans later learned that von Opel's steering linkage had failed, and that he had only made it to Usingen, the



James Gordon Bennett, Jr.

first community on the first lap.

By the completion of the second lap it was clear that Théry and Jenatton were the only real contenders. Edge was having serious mechanical trouble and didn't finish the race. Théry had improved his lead by the end of the second lap, but only by a few seconds. The Germans still had good reason to keep their hopes up.

Their hopes were dashed, however, when Jenatton had a slow third lap. Though he had

a very good fourth lap, and was the first to complete the race, the fans knew that their only hope now lay in some sort of misfortune for Théry. Optimists checked their watches. Théry had started 28 minutes after Jenatton. If he finished the race more than 28 minutes after Jenatton did, Jenatton was the winner. If not, the Frenchman was the winner.

In only 17 minutes the trumpets sounded and a dust cloud came into view far down the road. The Germans hoped against hope that it wasn't Théry.

But it was. There were tears in the victor's eyes as he stepped from the car, to be embraced by Henri Becquerel, maker of the car, and Théry was carried off on the shoulders of his countrymen. The glad news was telephoned to the Basier plant at Ivry, near Paris, and the workers there were given the rest of the day off.

The Kaiser called Becquerel to the imperial box and offered his congratulations, but he left it to his brother, Prince Heinrich, to congratulate Théry. It is said that the subsequent events in

Wiesbaden were more subdued than they otherwise might have been.

Actually, Germany had not done badly in the race. Jenatton placed second and despite his bad start Baron de Caters was fourth, after France's Henri Rougier in a Turcat-Méry. Théry's average speed over the 340-mile (546-kilometer) course was 54 miles (87 kilometers) per hour. France was the only country to have all three cars finish. Of the 18 starters, six, including Edge and Opel, did not finish.

The Gordon Bennett Race returned to France in 1905, and Théry won it once again. But this proved to be the last Gordon Bennett Race. The French Automobile Club was unhappy over the fact that each country could only enter three cars, no matter how many manufacturers it had. This might be enough for Switzerland or Belgium, but not for France. Gordon Bennett, however, felt that the proposed changes would alter the character of the race and withdrew his support. He later turned his energies to balloon, aircraft and motorboat events.

In the following year, 1906, the French Automobile Club established the Grand Prix, creating an institution that lives to this day in the automotive world.

A new coffee-table book, in German, provides a complete look at the significance of the Gordon Bennett races. The title translates roughly as "Intrepid Man — Fantastic Cars," and it tells the story of the Gordon Bennett races from 1900 to 1905. The text is supplemented by a profusion of photographs, colored illustrations and documents. ("Kühne Männer — Tolle Wagen"; 160 pages; 152 illustrations, 41 of them colored; publication date, May 18; Motorbuch-Verlag, Stuttgart; DM 68.)

AS part of Bad Homburg's commemoration of the 1904 Gordon Bennett Race, the City Archive is holding an exhibition on the early days of motoring.

It will feature an authentic old automobile of the era and a number of nostalgic photographs, drawings, posters and other items. The exhibition can be seen May 22-31 at the Kurhaus and June 3-21 at the Gotisches Haus.

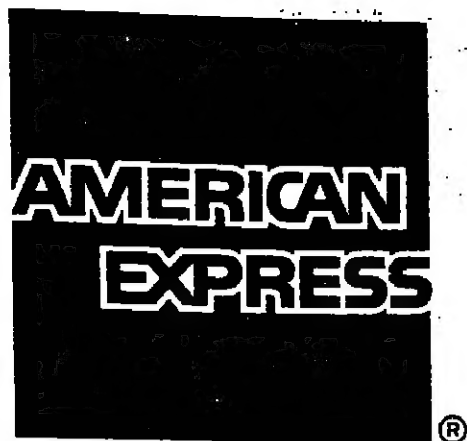
The Gordon Bennett Race, June 17, 1904, was the first international automotive sporting event ever to be held in Germany. With Kaiser Wilhelm II in attendance, it covered an 85-mile circular course in the Taunus Hills near Frankfurt, beginning and ending near Homburg. The same route will be used on May 23 this year for the Gordon Bennett Memorial Rally of vintage and historic cars.

The automobile in the display is a 1904 Piaggio, a very popular small car of the day and one that some spectators may well have used to get out to the race site. The exhibit will also include horns, headlights, gasoline cans and other equipment of the day, and some of the clothing then worn by motorists.

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The Northern Way: Hamburg and Bremen

The place to stay in Bremer is the lakeside Park Hotel, in a splendid green area near the city center. Though it is very conveniently located, it is nevertheless peaceful and quiet. Exclusively furnished rooms, excellent cuisine and a fine collection of wines have prompted many a visitor to stay longer than planned. And the general manager is always looking for people to jog with him in the park.

Bremen is built largely in the typical red brick style that is so characteristic of Northern Germany, a style that can be best appreciated in two sections: the Böttcherstrasse and the Schnoorviertel. The narrow Böttcherstrasse, which now has the city's gambling casino, was

A high-contrast, black and white photograph showing a person's legs from the knees down, wearing denim jeans. The person is standing on a textured surface, possibly sand or gravel. A bright, circular light source, likely the sun, is visible on the left side of the frame, creating a strong glare and casting shadows. The jeans have a small, circular patch on the right thigh with the number '211' inside. The overall image has a grainy, high-contrast aesthetic.

The Weser flows out of the hills at the Porta Westfalica near Minden, and from there flows across the flat, North German plain to empty into the North Sea at Bremerhaven. This "Westphalian Gate" is a spectacular sight, with an imposing statue of Kaiser Wilhelm II atop one of the last hills.



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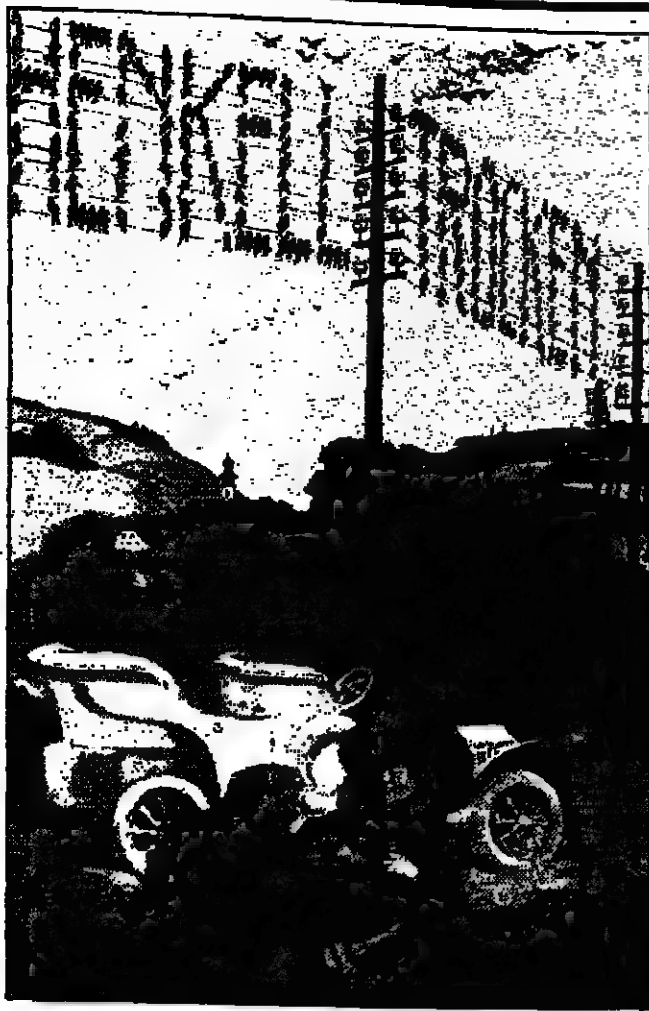
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STADT  FRANKFURT AM MAIN



The Call of Father Rhine

IN Germany, an unmistakable sign of spring is the appearance of the KD German Rhine Line's white fleet on the waterway. The largest and most experienced passenger shipping company on what the Germans call "Father Rhine," KD operates 22 ships that last year carried for some 1.5 million passengers, traveling a total of almost 373,000 miles (600,000 kilometers) on the Rhine, Main and Moselle rivers.

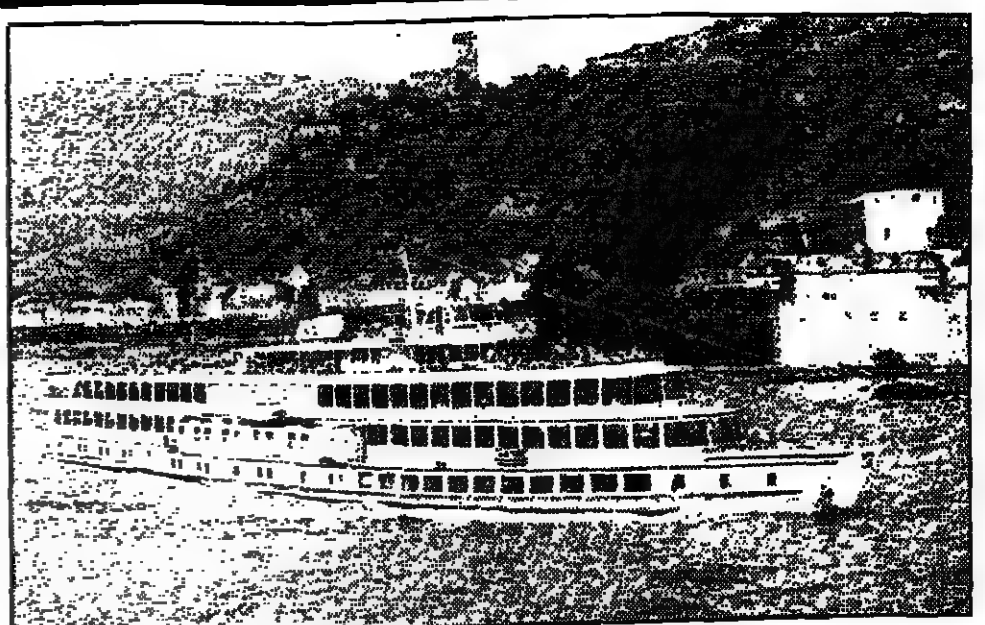
A favorite outing for many visitors to Germany — as well as for the Germans themselves — is a cruise along the Rhine starting in Cologne or Mainz, sailing past hilltop castles and vineyards, the legendary rock of the Lorelei and localities known from wine labels: Rüdesheim, Oestrich, Elviller and Schloss Johannisberg. Passengers may sightsee while sipping excellent wines from KD's own cellars. (Service between Cologne and Mainz will be available through Oct. 25 this year).

KD, which stands for Köln-Düsseldorfer (Cologne-Düsseldorf), also has ships for longer cruises that accommodate only about 200 passengers (compared with up to 3,000 on the Cologne-Mainz route) in a state of floating luxury. The passengers may do some on-board

shopping, or relax on a large sun deck or in an observation lounge, splash in a swimming pool (on most ships), stretch out in a sauna or solarium and retire to the privacy of a two-berth cabin, with shower and toilet.

The long cruises include trips through four or five countries between Basel and Rotterdam, in the Dutch waterways, a wine seminar, and special holiday excursions for Christmas, New Year and the carnival (mardi gras) season.

KD also provides fast hydrofoil service as well as the good ship Goethe, the last of the paddle-wheel Rhine steamers.



The KD Wappen von Mainz sails by the Pfalz castle along the Rhine.

Wishing Berlin Happy Birthday

BERLIN this year is celebrating the 750th anniversary of its establishment, and a very large number of musical and theatrical events, exhibitions and folk events are planned to make the occasion a merry one.

The late 19th and early 20th centuries were a special period for Berlin, probably its heyday. As the capital of the German Reich at the peak of its glory, it was one of the world's most sophisticated and elegant cities, a place of music and the arts, of elegant ladies escorted by dignified officers and monocled gentlemen, into the cafes or along

the Unter den Linden, or parks and broad avenues flanked by bulging Victorian buildings. Amid the forests and lakes of Dahlem, Wannsee and Grunewald arose numerous villa colonies.

Tradition remains. Despite all that has happened since, traces of the old traditions remain. There still are cafes with string orchestras and potted palms. The bellhops in the Hotel Bristol Kempinski still wear the traditional uniform with the flat cap. Indeed, the whole hotel-restaurant complex is a custodian of Ber-

lin tradition. The Hotel Bristol Kempinski stands on the site of the celebrated Kempinski Restaurant, which drew gourmets and lovers of Berlin cuisine from 1862 until its destruction in World War II. Many of the features of the old restaurant, such as arched doorways and pink walls, were included when the place was rebuilt. The site has another traditional Berlin feature as well. The rebuilt Hotel Bristol, formerly a leading hotel on the Unter den Linden (now a part of East Berlin), shares the location with the restaurant.

Berlin's "island" location

isn't as oppressive as might be expected. The city is vast, the largest in Germany, with lots of parks and waterways. The rich cultural life continues, as the visitor has a choice of some 15 musical, operatic and theatrical performances a night. Berlin has a number of notable museums as well. The Gemäldegalerie has 26 Rembrandts and the famous bust of Egyptian Queen Nefertiti. A delight of the Berlin Museum is a very authentic reconstruction of a Berlin tavern of the pre-World War I era, with appropriate food and antique fixtures.

And, of course, there is Berlin's nightlife. In other German cities the law requires that night spots, restaurants and other haunts of people "on the town" close down at a relatively early hour. But there are no closing hours in Berlin. Full course meals may be, and are, served at 4 a.m. Bear in mind, however, that Berlin nightlife doesn't really get started until around 9 p.m. There are taverns with live bands, discotheques, beer palaces, cafes, restaurants that keep serving all night and, of course, that uniquely German institution: the political cabaret.

Swiss hospitality. Berlin's famous luxury hotel, the Schweizerhof, is at the center of the action, right adjacent to the Kaiser Wilhelm Memorial Church and the Tiergarten. Its hospitality is strictly Swiss, developed in a country that has raised hotel management to a high art.

A tour of the Wall is also common for the visitor to West Berlin. The west side of it now is completely covered with graffiti from one end to the other. Many people also visit East Berlin. The Unter den Linden, once the fashionable boulevard of the city, has been restored to its original glory in some parts. The Pergamon Museum, with works of art from ancient civilizations, is another good place to visit in East Berlin. And the royal residential city of Potsdam, with two palaces, is just outside West Berlin in East Germany.

Henkel sparkling wines got their start at about the same time as the automobile, and have grown up and expanded to become the most popular German sparkling wine around the world. Henkel Trocken was 10 years old at the time of the 1904 Gordon Bennett Cup race and became increasingly famous. In the first year of the new century, only 600,000 bottles of the dry sparkling wine were produced by the Wiesbaden company. By 1910, output had soared to 3 million. Today, more than 20 million bottles of Henkel Trocken are turned out and enjoyed around the globe. More than half the sparkling wine exported from Germany comes from Henkel, which last year merged with another Wiesbaden wine producer to become Henkel and Söhne Sektcellerei.

Kempinski Hotels Celebrate 90th Anniversary

IT started in the days of the great hotels. At the turn of the century, Berlin was enjoying the fruits of peace and prosperity. It was not only the capital of the German Reich but also a major center of industry, commerce, finance and intellectual and cultural life. High society delighted in the glitter of the belle époque. People were on the move, drawn to this busy, expanding city.

So in 1897, a company was set up to operate the Central Hotel and catering in the city. Quickly developing into Germany's largest hotel operation before World War I, it eventually became Kempinski AG, Germany's oldest hotel company.

The Central Hotel, one of the new grand-style "railroad hotels," stood across the street from the Friedrichstrasse Central Station and included a popular cafe and the Variété Wintergarten, where acrobats,

singers, jugglers and other performers appeared under an artificial star-studded sky. The company went on to acquire the Hotel Bristol on Unter den Linden, which was one of Berlin's most beautiful and glamorous hotels of the day. The catering operation fed people at both the Reichstag, which housed the lower house of the German parliament, and the Zoological Garden.

As it expanded, the company took over the famous Café

Kranzler, then also on Unter den Linden, and Hamburg's stately Hotel Atlantic.

In 1953 the firm acquired sole ownership of M. Kempinski & Co. GmbH. For decades this name had been synonymous with Berlin's most exclusive restaurant, which was totally destroyed in World War II. The whole company changed its name to Kempinski AG in 1977.

Thus the great hotel tradition continues. Today, the

Kempinski name can be found on four luxury hotels in Germany: Bristol Hotel Kempinski Berlin, Atlantic Hotel Kempinski Hamburg, Hotel Gravenbruch Kempinski Frankfurt and Hotel Vier Jahreszeiten/Four Seasons/Kempinski Munich. Last year Kempinski, along with the German national airline Lufthansa and another partner, formed Kempinski Hotels S.A. to establish Kempinski hotels in the major cities of the world.

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gourmet-dinner incl. aperitif + 1/2 a bottle of wine
Welcome-present upon arrival in your room

Based on use of: BMW 318i Mercedes 200 aut.
HOTEL SCHWEIZERHOF, Sudsteiner Str. 21-23, 1000 BERLIN 90
Rate per person in twin: DM 583.— DM 621.—
Single arrangement: DM 900.— DM 978.—

Bristol Hotel KEMPINSKI, Kurfürstendamm 27, 1000 BERLIN 15
Rate per person in twin: DM 654.— DM 695.—
Single arrangement: DM 976.— DM 1,053.—

For RESERVATION call your German American Express Travel Office.
(Arrangements upon availability.)

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Excerpt

09.06.-13.06.	Medical Congress Berlin 1987* In conjunction with Pharmaceutical and Medico-Technical Exhibition
01.07.-04.07.	CAR '87 Computer Assisted Radiology International Symposium and Exhibition
24.07.-01.08.	14th International Botanical Congress*
10.08.-16.08.	VIII Suzuki Method International Conference*
28.08.-06.09.	International Audio and Video Fair Berlin 1987 with Trade Fair MediaCom and International Congress MediaForum Berlin '87
02.09.-04.09.	25th Overseas Import Fair "Partners for Progress" Berlin Testates: 30.9.-4.10.
14.10.-16.10.	SURTEC Berlin '87 International Congress with accompanying Exhibition for Surface Technology
14.10.-17.10.	büro-data Exhibition of the Office Industry Berlin '87
14.10.-18.10.	bautec berlin '87 Building Exhibition and Congresses modernization, preservation, design
25.10.-29.10.	XIVth Congress of the EDTA - European Renal Association
27.10.-29.10.	XVth Annual Conference of EDTNA - European Renal Care Association
10.11.-14.11.	BIG-TECH 1987*
28.11.-02.12.	ANTIQUA '87 Berlin 16th Sales Exhibition for Art and Antiques
1988	
29.01.-07.02.	International Green Week Berlin 1988 Exhibition for the Food Industry, Agriculture and Horticulture
25.01.-30.01.	XVth International Agricultural Film and TV-Film Competition 1988
05.03.-10.03.	International Tourism Exchange ITB Berlin 1988
10.04.-08.05.	18th FBK Free Berlin Art Exhibition 1988*
23.04.-24.04.	New Businesses Meeting Berlin '88 Forum with Seminars and Exhibition

As of April 1987 - Subject to alterations
*Enquiries will be passed on to the organizers.

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Along the Route

(Continued from page 7)

Wilhelm's self-designed hunter's hat, but in gray instead of green, and in 1880 had a local firm, Möckel, make one for him. The soft rabbit-hair hat was soon seen on the best heads in Europe, replacing the stiff silk top hat and the bowler. The Hornburg also became popular in diplomatic circles. It has become an unofficial sym-



Wolfgang R. Assmann, mayor of Bad Homburg.

bol of the town, which not surprisingly has its own hat museum.

(For more information about the hat museum and other local sights, contact the tourist office: Verlehrsamt, Im Kurhaus, Postfach 18 45, D-6380 Bad Homburg, Telephone: 061 72 - 12 13 10/12.)

"Weilburg is the pearl of the Lahn Valley, a baroque resi-

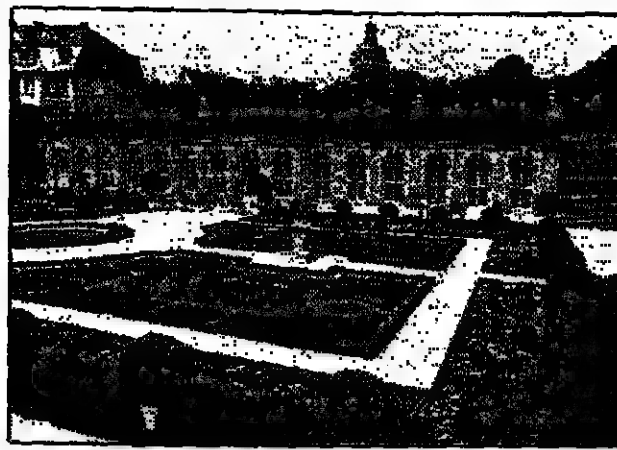
dence town, and so especially appropriate for the Gordon Bennett rally," says Georg Würmeling, district administrator.

The Lahn River, which originates in the basement of a forest ranger's office in the state of North Rhine-Westphalia, curves to the east to flow through this part of western Hesse, making an almost complete loop around the historical old town of Weilburg. Here on a high ridge is the castle where the counts and dukes of Nassau-Weilburg lived from 1355 to 1816. Weilburg itself is much older, and has been traced back to the Willenburg of 906.

The castle's main building was erected in the Renaissance style during the 16th century. But 200 years later, when new buildings and the gardens were added, the model was nothing less than Versailles. In 1890, the Duke of Nassau was elected Grand Duke of Luxembourg, and the castle became the property of Luxembourg. It has belonged to the state of Hesse since 1945.

"The old ties with Luxembourg are still maintained," notes Würmeling. "Almost every year the duke comes to Weilburg, usually during the Castle Concert Festival."

In addition to courtyard concerts, the castle has a riding



The Weilburg castle hosts summer concert festival in its gardens.

school, baroque chapel, hotel and theater-conference center. The ducal hunting grounds have become a wildlife park, with miles of walking paths. Seekers of uniqueness will find Germany's only canal tunnel in Weilburg and the country's only crystal cave in nearby Kurbach. There are guided tours through the town and its historic buildings.

(Tourist Office: Mauerstrasse 8, D-6290 Weilburg/Lahn. Tel. 06471-314 24 or 3140.)

The rally drivers are also passing through the small town of Idstein, which originated almost 900 years ago as an outpost of the archbishop of Mainz's religious and economic interests in the Taunus highlands. The oldest structure in the town, also called the Witches' Tower, or Hexenturm, which was started by the counts of Nassau-Idstein in 1355. Feeling cramped in the narrow tower, the counts' ancestors began the nearby castle in 1614. Idstein is justly famous for its many well-preserved medieval half-timbered houses, packed unusually close together. An outstanding example is Killingerhaus, between the town hall (Rathaus) and Unionskirche. The Union Church, a rare example of a Protestant church with brightly decorated walls and ceilings, received its

name in 1917 to commemorate the centennial of the union agreed upon in Idstein between the Lutheran and Reform churches in Nassau.

(Tourist office: Fremdenverkehrsamt Rathaus, D-6270 Idstein. Telephone: 06126-7 82 15 or 781.)

Also along today's route lies the town of Kronberg, part of Frankfurt's bedroom community as well as another attractive spa. This hilly, quiet oasis of parks, gardens and strollable woods has a carefully preserved medieval "old town" with half-timbered houses, narrow streets and fountains. Like the other towns mentioned, it is popular for local excursions (both Kronberg and Bad Homburg can be easily reached by local trains — the S-Bahn — from Frankfurt).

Kronberg started as Burg Kronberg, the hilltop fortress of the knights of the Cronberg family in the early 13th century. Now a museum, it is not to be confused with the internationally famous and luxurious Castle Hotel Kronberg, which was built in 1893 as a Tudor palace look-alike for a Kaiser's British-born widow.

(For more information: Verkehrsverein Kronberg im Taunus e. V., Postfach 1280, Rathaus, D-6242 Kronberg im Taunus. Telephone: 06173-70 32 23.)

Real Estate Firm to Add New Branches

WOLFFSTADTER Immobilien GmbH specializes in selling top private real estate and in the sale, renting and leasing of commercial property and space. Up to now this Frankfurt firm has concentrated mostly on selling private property locally, but it plans to expand to other key German business areas.

At the beginning of this year, an office was opened in Schwetzingen for the Rhine-Neckar region (Mannheim, Heidelberg and Ludwigsha-

fen), and offices are planned for the Stuttgart and Munich areas. Wolffstadter's individual customers are primarily board members of Frankfurt-area banks and industrial companies as well as lawyers, dentists and other professionals. But expansion is necessary to meet the needs of domestic and foreign companies looking for real estate in Germany. Wolffstadter, which emphasizes an advisory role, has recently received a number of inquiries from Japanese firms interested in locating in Germany.

The Spirit of Munich

THOUGH it is Germany's third largest city and a major cultural center, Munich likes to consider itself a big city with a heart. "Gemütlichkeit" reigns in the city and amid the lakes and mountains of the countryside that surrounds it.

The warm, easygoing spirit of the Bavarian can be found everywhere, in the taxi driver, the shop clerk, the fellow from whom you ask directions on the street. But the main place to find "gemütlichkeit" is in the many cavernous beer halls, with their brass bands. People wave their beer mug and sway to the rhythm of the music, or even stand on the table and sing along.

Munich is also an architectural gem, with examples of Gothic, Renaissance, baroque and neoclassical architecture. And it has much to offer in the way of museums and musical and theatrical productions. Those whose tastes are a bit more on the Bohemian side will like the Schwabing district, with its intimate clubs and bistros.

Nymphenburg Palace, a big rococo summer residence for the Bavarian royalty, is set among lawns and fountains on

the outskirts of the city. Royal Nymphenburg porcelain is manufactured on the grounds and the factory can be visited. Also somewhat removed from the downtown area is the Olympic Park, site of the 1972 Olympics. A big tent-like roof covers a number of the facilities.

The area south of Munich is very inviting. First comes a series of sparkling lakes carved out by the retreating glaciers: the Ammersee, Starnbergersee, Chiemsee, Tegernsee and numerous smaller ones. After that come the Alps, parts of which are only 30 miles from Munich.

This region has some of Germany's top tourist attractions, notably the castles built in the last century by Bavaria's King Ludwig II. Probably the most recognized building in Germany is Ludwig's white marble Neuschwanstein Castle, which was actually modeled on storybook illustrations. It is located near Füssen in the Alps. Another of Ludwig's castles is Linderhof, a little rococo gem near Oberammergau. The third castle, Herrenchiemsee, was modeled after Versailles, and is located on a pedestrian island out in Lake Chiemsee.

Visitors seeking first-class

accommodation at Chiemsee can find it at the Yachthotel Chiemsee at Prien. It is located right on the water with its own boat landing. All sorts of water sports are at the visitor's disposal, but at the same time he can have a physical checkup and some therapy if he is in the mood to combine this with some vacation.

The fashionable Hotel Bachmair is located right on the shorefront of the Tegernsee at Rottach-Egern. It has rustic architecture and rustic cuisine, but also world class cuisine, a nightclub featuring international stars and a beauty farm. Share the experience of a stay at this exclusive hotel with prominent members of international society.

Another attraction at Tegernsee is an old steam train that never fails to delight the

railway buff. There is a similar "puffer" at Chiemsee.

Another key spot in this Upper Bavarian region is Berchtesgaden, with Hitler's "Eagle's Nest" retreat on a mountain-top, the deep blue Königssee Lake with mountains plunging almost vertically into it, and a salt mine with caverns that resemble cathedrals.

Garmisch-Partenkirchen is a winter resort and starting point for a ride to the top of the Zugspitze, Germany's highest peak. Nearby Oberammergau is a center of religious wood carving and the workshops can be visited. It is in Oberammergau that, in response to a vow made in 1634, the last days of Christ's life are reenacted every ten years in the famous Passion Play. Though there will be no performances until 1990, the theater in which the play is held can be visited at any time.

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Hotel BACHMAIR AM SEE, 8188 ROTTACH-EGERN

Rate per person in twin: DM 715.- DM 754.-

Single arrangement: DM 1,005.- DM 1,083.-

YACHTHOTEL CHIEMSEE, Rottach-Egern Str. 49, 8210 Prien

Rate per person in twin: DM 530.- DM 589.-

Single arrangement: DM 829.- DM 955.-

For RESERVATION call your German American Express Travel Office.

(Arrangements upon availability.)

Stuttgart Splendor: From Castles to Cars

STUTTGART is a magnet for lovers of luxury cars. Both the Mercedes and Porsche factories are located there, as everyone knows who has taken delivery of one of those cars in Stuttgart. Both plants have museums and conduct factory tours.

The city is quite picturesque, lying in a deep valley with forested hills and steep vineyards as a backdrop. Some of the older parts of town are also built on steep hillsides, and in places stone steps replace streets.

The city now is the capital of the state of Baden-Württemberg and before that was the seat of the kings and dukes of Württemberg. This explains why there are a number of palaces in the city. One of these, the New Palace near the railway station, is used for government offices, and is the starting place for a big garden that runs all the way to the Neckar River, a mile away.

The countryside around Stuttgart is magnificent. When it comes to aristocratic residential cities, there are few that can top Ludwigsburg, just outside Stuttgart. Early in the 18th cen-

tury, one of the Württemberg dukes, Eberhard Ludwig, moved his court from Stuttgart out to a huge, newly completed ducal palace at Ludwigsburg. Other palaces were built soon afterward, notably the little baroque Favorite Palace and the lakeside Monrepos. These and other baroque structures are all set in a landscape of lawns, ponds and gardens for a very harmonious whole.

Schlosshotel Monrepos (Monrepos Palace), with a lake on one side and an avenue of chestnut trees on the other, is a first-class beauty. Meals are served on chinaware from Ludwigsburg's own porcelain factory. An added attraction is the 18-hole golf course nearby.

The Stuttgart area is the gateway to the Black Forest, one of Germany's best-known tourist regions. Americans probably know the area best as the home of the cuckoo clock, the manufacture of which is centered around Villingen. The Black Forest is so called because its close-packed evergreen trees shut out the sunlight, and because it was so forbidding that few dared venture into its interior during the Middle Ages. This

explains all the legends about elves, gnomes and witches.

The Black Forest is a place where the people cling to their traditional costumes. They build big, broad-eaved farmhouses, where living areas, work areas and stables all are contained under one roof. It is a major winter sports area.

A principal city of the Black Forest is Baden-Baden, known as a very fashionable resort. Though its mineral springs had been popular even earlier, its climb to becoming an aristocratic spa began in the early 18th century, when it became the summer residence of the grand dukes of Baden. Soon after that it acquired a casino

and the Iffezheim race track and began attracting nobility from all over, especially from Eastern Europe.

Baden-Baden still is popular as a health resort. A recommended hotel for discriminating visitors is the four-star Golf Hotel. Three-hundred-and-fifty feet above the downtown area and situated in a large private park, it is well removed from the bustle. It offers more sport facilities than any other hotel in the city. If you prefer to leave your car at the hotel, a direct bus ride takes you right into the city. The hotel has been in the same family since 1895, and the personal touch and care are obvious wherever you are.

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Welcome-present upon arrival in your room

Based on use of: BMW 318i Mercedes 200 aut.

Schlosshotel MONREPOS, 7146 Ludwigsburg

Rate per person in twin: DM 540.- DM 578.-

Single arrangement: DM 807.- DM 884.-

GOLF-Hotel, FARMERBERG, 113, 7870 Baden-Baden

Rate per person in twin: DM 452.- DM 530.-

Single arrangement: DM 905.- DM 882.-

For RESERVATION call your German American Express Travel Office.

(Arrangements upon availability.)

Franconia: A Ride down Romantic Road

FRANCONIA probably comes as close as any part of Germany to living up to the country's image. It's a place of forests, beer, artisans and clever gadgetry.

The Franconian capital of Nuremberg became a commercially important center about 600 years ago. This is partly because it was at the junction of several important trading routes, which kept it supplied with raw materials and new ideas.

Another factor was the traditional diligence of the Franconians. Spurred by relatively easy access to the markets of Europe, they turned to a variety of crafts: goldsmithing, wood carving, tin working, toy making, watchmaking and lots of other things. Among the great names of Nuremberg are Peter Henlein, inventor of the pocket watch; Martin Behaim, who made the first world globe; wood-carver Vice Soss; cobble-poor Hans Sachs; sculptor Adam Kraft, and of course, Albrecht Dürer. Other everyday items invented in Nuremberg include wire, the pencil and the toy top.

This combination of artistic skills and wealth made Nuremberg a very beautiful city, and though it was extensively damaged in World War II, it has been rather well restored. The visitor still gets a vision of walls, towers and rooftops clustered beneath the hulking hill-top castle. Albrecht Dürer's house has been restored, and visitors to it get an insight into the life of a 15th-century patrician family.

Other points of interest include a Toy Museum, emphasizing the big role the city played in this field, and a Transport Museum, which reminds us that Nuremberg was one of the terminals of Germany's first railroad.

An authentic Nuremberg food specialty is the finger-sized pork sausage served in quantity on a mound of sauerkraut. And the *lebkuchen*, a very rich cookie of ground almonds, candied fruit, honey and spices, also originated in Nuremberg.

A number of famous smaller cities are within easy reach of Nuremberg. One of them is the celebrated medieval city of Rothenburg, which appears little changed since the Thirty Years War. It almost has the appearance of a stage setting covering several acres.

Maximum use is made of all this. The "town crier" walks the cobbled streets by night with his broad-brimmed hat, lantern and horn. There is a museum of medieval torture instruments, a doll and toy museum and a marionette theater. Rothenburg also has an incredible store that sells German Christmas items: tree ornaments, decorations, wrapping paper, toys, Advent calendars and the like, the whole year round.

The first-class Hotel Eisenhut, right in the center of town, fits perfectly into this setting. It is formed from several patrician houses of the 15th and 16th centuries, and is full of nooks, crannies and all the appropriate furnishings. For all that, how-

ever, it has modern comforts too. Dignified hospitality and the highest of quality, today as well as in the past: that is what the name "Eisenhut" stands for.

Rothenburg is on the "Romantic Road," which springs together a number of the region's most picturesque towns, including Dinkelsbühl, with a water scene, and Nördlingen, with a completely intact city wall on which the whole town can be circled in 45 minutes.

Not all of Franconia's picturesque towns are on the Romantic Road. Bamberg, to the north of Nuremberg, can hold its own with any of them. Its special beer has a smoked flavor, like ham.

Bamberg's 150-year-old Romantic Hotel Weinhaus Messerschmidt combines first-class comfort with the flavor of the 1000-year-old city. Try the golden Franconian wine in the

cozy Hubertussube, and when you find a vintage you like particularly, get a few bottles at the hotel's wine shop for later enjoyment at home. Outsiders associate the name Messerschmidt more with an airplane than a hotel. It is no coincidence. Aircraft builder Professor Willy Messerschmidt is of the old Bamberg family that operates the hotel. But the hotel precedes him by several generations. It now is in the hands of the sixth generation.

Other Nuremberg area communities of tourist interest include Kulmbach, overlooked by a big medieval fortress that now contains a tin figure museum, and Selb, home of the Rosenthal and Hutschenreuther porcelain factories.

And there is the Richard Wagner city of Bayreuth. The composer's home is now a museum, and the Festival House, especially built to Wagner's wishes, is the site of the Wagner Festival each summer.

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1 gourmet-dinner incl. aperitif + 1/2 a bottle of wine

Welcome-present upon arrival in your room

Based on use of: BMW 318i Mercedes 200 aut.

Hotel Messerschmidt, Lange Str. 41, 8600 BAMBERG

Rate per person in twin: DM 572.- DM 610.-

Single arrangement: DM 830.- DM 908.-

Hotel EISENHUT, Hermannstr. 9-7, 8008 ROTHENBURG

Rate per person in twin: DM 710.- DM 748.-

Single arrangement: DM 972.- DM 1,048.-

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Zum Glück - nie zu weit



Die Spielbanken in Nordrhein-Westfalen und Bremen laden ein:

Internationales Spielcasino Aachen

Spielcasino Bad Oeynhausen

Spielbank Hohensyburg

DORTMUND

Spielbank Bremen

Böttcherstraße

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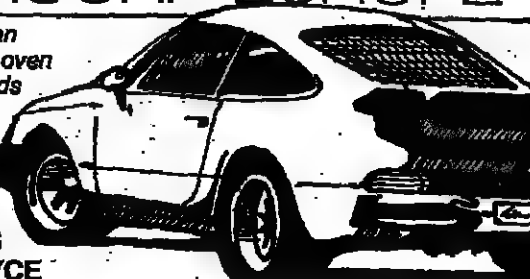
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09/11/2015

ADVERTISING SECTION

ADVERTISING SECTION

Berlin Strengthens Position as Trade Fair Capital

WITH over a century of trade fair experience behind it, Berlin continues to be a major convention center, regularly organizing events of international scope. Since 1979, the International Congress Center Berlin has enriched the city with a communications center and, after eight active years, underscored Berlin's claim to being one of the leading convention cities of the world. Berlin profits in several ways from the long list of national and international conferences and meetings. Convention visitors bring along buying power; the convention business creates and preserves jobs in the city; and, not least of all, media coverage gives worldwide publicity to events in the ICC Berlin, providing Berlin with a considerable increase in prestige throughout the world.

More than 3,500 conventions and 650 cultural and entertainment events have drawn 3.1 million visitors to ICC Berlin since its opening. According to the latest report by Brussels-based Union of International Associations (UIA), whose annual statistics record meetings by international associations, Berlin remains uncontested as Germany's number one convention city and ranks seventh in the world, after Paris, London, Geneva, Brussels, Madrid and Vienna. The internationally outstanding utilization quota — an average of 75 percent — and the remarkable status of advanced bookings for national and international conventions through the end of the century, justify the construction of the ICC Berlin as an important infrastructure investment in the future of the city.

Of those 3.1 million visitors to ICC Berlin events since 1979, some 473,000 have come from outside the city. Their purchasing power is estimated at 516 million DM (\$286 million), a significant figure which translates into increased sales in restaurants and hotels, in cultural and entertainment areas and in the retail sector, which in turn raises tax revenues.

These quantitative results, together with the successful work of the ICC's professional team, have in recent years received international recognition. In 1986, for the third consecutive year, the readers of *Conferences & Exhibitions International*, a European magazine published in Britain, voted the ICC Berlin best convention center of the year. These readers, the sponsors and organizers of national and international conventions, based their choice on the overall impression and multifunctional aspects of ICC

facilities, their modern and technical equipment and ICC's organization and execution of events.

Today, no convention hall in the world can exist without an attractive environment. Berlin provides a favorable location for the convention business because of its economic, scientific and cultural institutions, the technical and scientific potential of its two universities and its productive research institutes. Good transportation links constitute an additional trump card.

Recent technological developments have generated a profusion of new subject matters that, in turn, generate the need for new forums. The ICC Berlin makes its contribution as a communications and service center. Its events facilitate the dialogue between business and science and make possible the transfer of know-how from and to Berlin. Technical development creates further specializa-

tion, strengthens the need for further training, contributes to the founding of new special-interest associations and creates the need for more trade fairs.

With 80 meeting rooms that can accommodate from 20 to 5,000 people, an extensive lobby floor and direct connection to the Berlin Fairgrounds, the ICC Berlin offers ideal conditions for adapting to the needs of conventions and exhibitions.

Despite increasing competition on the worldwide convention market, the outlook for the ICC Berlin continues to remain favorable. Large-scale events such as the World Congress for Dermatology 1987, with 7,500 participants, the meeting of the World Bank and the International Monetary Fund 1988, with an expected 11,000 people, the World Congress for Chemotherapy 1991, with 10,000 delegates, and the World Congress for Cardiology 1994, with 12,000 attending, as well as hundreds of small- and medium-sized gatherings that are already firmly booked far into the next decade — all these bode well for the successful continuation of ICC Berlin.

Ladies and Gentlemen, Place Your Bets

AMONG the newest of Germany's 29 gambling casinos are the three in the state of North Rhine-Westphalia. The first of the trio was opened in the historical city of Aachen in 1976, followed by state-licensed establishments in the spa town of Bad Oeynhausen and in the city of Dortmund.

All three are operated by Westdeutsche Spielbanken GmbH & Co. KG, a wholly owned subsidiary of the Westdeutsche Landesbank, which among other banking activities serves as the State central bank of North Rhine-Westphalia. These casinos were not opened to encourage more people to gamble but to provide attractive centers for a varied art and entertainment program in key locations throughout West Germany's most populous state. The casinos support and organize regional, social and sports events. They also educate the public on legal gambling, which in Germany must be licensed by the individual states, and have provided infor-

mation tours for more than 850 groups. The plan calls for a possible fourth casino to be opened in the state.

In addition, the three casinos annually contribute about \$14 million to their own welfare foundation to aid handicapped children and older persons.

The Internationales Spielcasino Aachen, housed in a stately resort hotel and casino built in 1910, is located in the spa area of Aachen. Twelve roulette tables provide most of the action, although there are also four tables for blackjack and two for baccarat. Slot machines are not a fixture here. Betting starts at 3 p.m. daily, and in all German casinos, guests are required to dress for the occasion (tie and jacket for men); guests in black tie or gowns are not uncommon. Last year, 282,000 people tried out their luck at this establishment.

Among the additional distractions is a two-star restaurant that has won acclaim as a gourmet trendsetter in West Germany. It was the first feature in a nationwide television series

on outstanding German restaurants.

Spielcasino Bad Oeynhausen, which has been dubbed "Westphalia's Gateway to Good Luck," is located in a warm-springs health resort between Hannover and Osnabrück. Here the visitor will discover 39 slot machines and almost as many electronic roulette machines, which have a somewhat larger turnover than the eight roulette tables and two blackjack tables. (The usual mandatory dress code in German casinos does not apply to machine players.) Close to 240,000 luck-seekers passed through this gateway last year. And when they weren't gambling, they could enjoy the casino bars, Park Café and the Restaurant Lenné. The casino opens at 3 p.m. daily.

Spielbank Hohensyburg lies in the south side of the Ruhr industrial city of Dortmund, conveniently close to superhighways (Autobahnen) A1 and A43 and with parking space for 600 cars. This is the most popular of the three casinos, drawing

more than one million people last year. Visitors may choose between 120 slot machines, 38 electronic roulette games, 18 roulette tables, four blackjack and two for baccarat tables. Betting starts at 1 p.m. Last year, La Table, a luxury French restaurant, was opened in the new casino and has won recognition for its excellent cuisine. It is open in the evening. Also on the premises are a bistro, a pub and a bar.

In their advertising, these three casinos work together with the Spielbank Bremen in the northern city-state. The Bremen operation has three separate facilities. Roulette and blackjack are reserved for the casino at 3-5 Böttcherstrasse, a pedestrians-only historic street, with two bars and the Flett restaurant for local specialties. Gambling machines are located at 14-18 Breitenweg, near the Main Railway Station, and 3 Theodor-Heuss-Platz. Böttcherstrasse opens at 3 p.m., while the machines are in operation at the other two locations from noon on.

The "New" Frankfurt: Geared to Tourism

"STAY a while" could be the motto of Frankfurt's tourists: officials, who are trying to tell the world that there is more here than banks, business and the busy airport. True, this compact city on the Main River has Germany's tallest bank buildings, but here too are more half-timbered houses than in medieval Miltenberg, in the nearby Main Valley.

The practical decision to shovel away wartime rubble to make way for broader streets for cars and local transportation helped pave the way for Frankfurt to become the capital of Germany's *Wirtschaftswunder* (Economic Miracle), but was not calculated to win any awards in a "my favorite city" contest. Frankfurt has undergone an expensive facelift in recent years after almost three postwar decades in which it was better known for the bawdy than for the beautiful. The visitor should forget how easy it is to get out of this city and enjoy the "new" Frankfurt.

The bombed-out eyesore of the *Alte Oper* (Old Opera) has been returned to its 19th-century magnificence, a row of half-timbered houses restored to their place facing city hall (*Römer*) and museums opened or planned on both sides of the Main.

Pedestrian zones in the center of the downtown area encourage people to slow down and stroll. Restaurants and taverns have set out their tables and chairs on the same streets. Busy, bustling Frankfurt has

become a city for casual walking and for sitting down to look at the walkers in turn.

The visitor has really not savored Frankfurt until he has explored the *Alt Oper* and the *Frühmarkt* (literally, Feed Lane), a pedestrian street known for its food shops and restaurants which leads into the main shopping area, with its own pedestrian mall. A turn to the right takes one toward the city hall area, also worth investigating before your plane or train departs. Here is the cathedral, where the heads of the Holy Roman Empire were crowned for centuries, the small, nearly 700-year-old St. Nicholas Church, and a few steps away, the Main River and the landing stage for river excursion ships which also sail into the nearby Rhine.

Facing city hall is one of Frankfurt's 22 museums and there are more along the river. The city boasts that its architecture and cinema museums are unique in West Germany. Millions of years of evolution are on display at the internationally esteemed Senckenberg Museum of Natural History, and long before Frankfurt's facelift, the local zoo and the Palmengarten botanical gardens were attracting visitors on their own merits.

The visitor will still find plenty left to do. Not to be forgotten of course is the sampling of the ever-so-humble sausage that has made Frankfurt a household word around the world.

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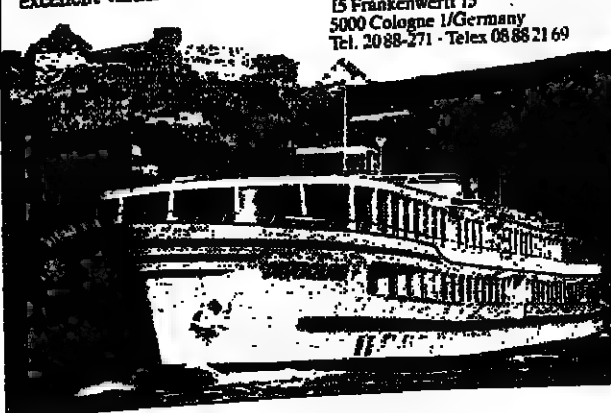
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NYSE Most Actives				
Vol	High	Low	Last	Chg
IBM	110 1/8	109 3/4	110 1/8	+1/8
AT&T	48 1/2	48 1/4	48 1/2	+1/4
Amgen	110 1/2	109 3/4	110 1/2	+1/8
Amgen	110 1/2	109 3/4	110 1/2	+1/8
Amgen	110 1/2	109 3/4	110 1/2	+1/8
Amgen	110 1/2	109 3/4	110 1/2	+1/8
Amgen	110 1/2	109 3/4	110 1/2	+1/8
Amgen	110 1/2	109 3/4	110 1/2	+1/8
Amgen	110 1/2	109 3/4	110 1/2	+1/8
Amgen	110 1/2	109 3/4	110 1/2	+1/8

Market Sales				
NYSE adv. com. close	175,802,200			
NYSE adv. com. open	175,802,200			
NYSE adv. com. close	175,802,200			
NYSE adv. com. open	175,802,200			
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NYSE adv. com. close	175,802,200			
NYSE adv. com. open	175,802,200			
NYSE adv. com. close	175,802,200			
NYSE adv. com. open	175,802,200			

NYSE Index				
High	Low	Open	Close	Chg
175,802,200	175,802,200	175,802,200	175,802,200	+1/8
175,802,200	175,802,200	175,802,200	175,802,200	+1/8
175,802,200	175,802,200	175,802,200	175,802,200	+1/8
175,802,200	175,802,200	175,802,200	175,802,200	+1/8
175,802,200	175,802,200	175,802,200	175,802,200	+1/8
175,802,200	175,802,200	175,802,200	175,802,200	+1/8
175,802,200	175,802,200	175,802,200	175,802,200	+1/8
175,802,200	175,802,200	175,802,200	175,802,200	+1/8
175,802,200	175,802,200	175,802,200	175,802,200	+1/8

Friday's NYSE Closing				
NYSE adv. com. close	175,802,200			
NYSE adv. com. open	175,802,200			
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NYSE adv. com. open	175,802,200			
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NYSE adv. com. open	175,802,200			

AMEX Diary				
Class	Prev.	Chg	Vol	Chg
Advanced	271	+1/2	100	+1/2
Unchanged	271	0	100	0
Total Issues	271	+1/2	100	+1/2
New High	271	+1/2	100	+1/2
New Low	271	+1/2	100	+1/2

NASDAQ Index				
Class	Prev.	Chg	Vol	Chg
Advanced	271	+1/2	100	+1/2
Unchanged	271	0	100	0
Total Issues	271	+1/2	100	+1/2
New High	271	+1/2	100	+1/2
New Low	271	+1/2	100	+1/2

AMEX Most Actives				
Vol	High	Low	Last	Chg
IBM	110 1/8	109 3/4	110 1/8	+1/8
AT&T	48 1/2	48 1/4	48 1/2	+1/4
Amgen	110 1/2	109 3/4	110 1/2	+1/8
Amgen	110 1/2	109 3/4	110 1/2	+1/8
Amgen	110 1/2	109 3/4	110 1/2	+1/8
Amgen	110 1/2	109 3/4	110 1/2	+1/8
Amgen	110 1/2	109 3/4	110 1/2	+1/8
Amgen	110 1/2	109 3/4	110 1/2	+1/8
Amgen	110 1/2	109 3/4	110 1/2	+1/8
Amgen	110 1/2	109 3/4	110 1/2	+1/8

Dow Jones Bond Averages				
Class	Prev.	Chg	Vol	Chg
Advanced	271	+1/2	100	+1/2
Unchanged	271	0	100	0
Total Issues	271	+1/2	100	+1/2
New High	271	+1/2	100	+1/2
New Low	271	+1/2	100	+1/2

NYSE Diary				
Class	Prev.	Chg	Vol	Chg
Advanced	271	+1/2	100	+1/2
Unchanged	271	0	100	0
Total Issues	271	+1/2	100	+1/2
New High	271	+1/2	100	+1/2
New Low	271	+1/2	100	+1/2

Odd-Lot Trading In N.Y.				
Class	Prev.	Chg	Vol	Chg
Advanced	271	+1/2	100	+1/2
Unchanged	271	0	100	0
Total Issues	271	+1/2	100	+1/2
New High	271	+1/2	100	+1/2
New Low	271	+1/2	100	+1/2

Dow Jones Averages				
Class	Prev.	Chg	Vol	Chg
Advanced	271	+1/2	100	+1/2
Unchanged	271	0	100	0
Total Issues	271	+1/2	100	+1/2
New High	271	+1/2	100	+1/2
New Low	271	+1/2	100	+1/2

Standard & Poor's Index				
Class	Prev.	Chg	Vol	Chg
Advanced	271	+1/2	100	+1/2
Unchanged	271	0	100	0
Total Issues	271	+1/2	100	+1/2
New High	271	+1/2	100	+1/2
New Low	271	+1/2	100	+1/2

NASDAQ Diary				
Class	Prev.	Chg	Vol	Chg
Advanced	271	+1/2	100	+1/2
Unchanged	271	0	100	0
Total Issues	271	+1/2	100	+1/2
New High	271	+1/2	100	+1/2
New Low	271	+1/2	100	+1/2

AMEX Stock Index				
Class	Prev.	Chg	Vol	Chg
Advanced	271	+1/2	100	+1/2
Unchanged	271	0	100	0
Total Issues	271	+1/2	100	+1/2
New High	271	+1/2	100	+1/2
New Low	271	+1/2	100	+1/2

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Dollar and Bonds Boost NYSE

NEW YORK Prices on the New York Stock Exchange advanced in quiet, pre-holiday trading Friday as firm bond prices and a steady dollar gave the Dow Jones industrial average its first double-digit gain in more than a week.

The Dow rose 17.43 points to close at 2,343.20. But for the week, which began with three straight losing sessions, the Dow retreated 29.32 points. On the day, advancing issues outpaced declines 4-6.

Volume totaled 185.52 million shares, down from 184.85 million Thursday.

Broad market indicators also advanced ahead of the three-day Memorial Day weekend. The New York Stock Exchange composite index rose 0.85 point to 159.05. The price of an average NYSE-listed share rose 24 cents, while Standard & Poor's 500-stock index climbed 1.99 points to 232.16.

"It was a semi-holiday all day long, and with very few people doing anything, it became a matter of following the ups and downs of the bond market," said Jack Baker, head of equity block trading at Shearson Lehman Brothers.

Mr. Baker said that the market might be ready for an additional rally next week.

"A lot of people are surprised that the market did not break down at the end of the week," he said. "We saw a reasonably good rally."

Participants said that the market's rise was a typical pattern for trading ahead of a holiday weekend. But they said that buying was cautious.

"A lot of people aren't interested in going home with big positions before a long holiday weekend," observed Alan Ackerman, senior vice president of the Herzfeld & Stern division of Gruntal & Co.

A spate of government economic reports, released before the market opened, produced figures in line with expectations. But analysts said that the 0.4 percent rise in the Consumer Price Index and the 4.4 percent growth in the gross national product in the first quarter indicated that some of the market's inflation fears were exaggerated.

The calming of inflation worries buoyed the bond market, whose investors are extremely sensitive to rises in retail prices. But precious metals, a traditional haven against inflation, dropped sharply in price.

Northeast Utilities was the most active NYSE-listed issue, rising 3/4 to 22 1/2.

Harcourt Brace Jovanovich followed, falling 3/4 to 43 1/2. It is preparing a defense against a hostile 544-a-share takeover bid it received Monday from Robert Maxwell, the British publisher. Warner Communications was third, rising 1/2 to 32.

Among computer stocks, Digital Equipment jumped 5/8 to 154 1/2 after several Wall Street analysts recommended it. It fell 5/8 Thursday.

Cray Research fell 3/4 to 99 1/2 after dropping 6 Thursday when several analysts reduced their estimates of the company's earnings.

Friday's NYSE Closing

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2 Spaniards Buy 3% of Montedison

MADRID — Two Spanish businessmen have bought a 3 percent stake in the Italian chemicals company Montedison SpA in the biggest Spanish private-sector investment outside the country, a spokesman said Friday.

Mario Conde and Juan Abello paid 18 billion pesetas (\$145.2 million) for 60 million shares in Montedison, acquiring them gradually on the Milan stock exchange, the spokesman for the two businessmen, Fernando Garro, said.

Mr. Conde and Mr. Abello financed the purchase by selling Antidoto SA, the Madrid-based pharmaceuticals company they founded, to Montedison earlier this year for 58.2 billion pesetas.

Mr. Garro said that they began buying the shares in March, shortly after completion of the Antidoto SA sale, and that the final shares were purchased last week.

He added that nearly all of the shares carried voting rights.

Mr. Conde agreed to stay on as Antidoto's managing director after it was sold to Montedison and later made public his intention to

invest part of the proceeds in Montedison shares.

The recently purchased Montedison shares are registered in Mr. Conde's name. Asked if Mr. Conde was seeking a seat on the Montedison board, Mr. Garro replied, "That is a matter for Montedison's shareholders' assembly to decide."

Montedison, with interests ranging from chemicals to retailing, is

Italy's second largest industrial group.

The company's biggest single shareholder is the Ferruzzi agribusiness group, which holds around 40 percent.

Montedison last week denied Spanish press reports that it had offered Mr. Conde a place on its board as part of the Antidoto deal.

Ariane Hopes for a Launch in August

PARIS — The next launch of the rocket Ariane is scheduled for August, but the exact date will depend on results of current testing of a third-stage engine, according to European space executives.

Arianespace, the commercial arm of the European Space Agency, plans three launches for 1987, eight in 1988, nine in 1989 and 10 in 1990. Its tentative schedule calls for placing 46 commercial satellites into orbit through 1991.

That would represent 15 billion francs (\$2.5 billion) in orders, and roughly half the world's estimated market for commercial launch services in the 1990s, executives said this week.

The Ariane program has been grounded since May 1986, when the third stage of a rocket failed to fire, sending it out of control over the Atlantic. Officials immediately ordered the destruction of the rocket and its \$90-million satellite cargo.

Executives predicted that within several years, all of the competing space organizations, including that of the Soviet Union, will be launching about 20 commercial rockets annually.

Patrice Albrecht, head of the client services department for Ariane-space, said that a key rival would be the U.S. Titan-3 rocket, which is being readied for launching in 1989 by Martin Marietta Corp.

Expansion of Elders Seems No Small Beer

By Michael Richardson
International Herald Tribune
SINGAPORE — Four years ago, Elders Ltd. made much of its money from what it called its "pastoral" interests: beef, wool and jam.

Now, having come from nowhere to capture the sixth position among international brewers, the aggressive Australian conglomerate is hoping to expand further by shepherding more of the world's beer drinkers to its own brands.

Elders' interests in Australia, trade, mining and cover finance, but Bruce H. Siney, Elders' executive director for brewing, said beer has been the key to the rapid expansion of Elders, which is now Australia's fifth-largest company. And it has not been small beer.

Elders entered the brewing business in 1983 when it took over Carlton and United Breweries Ltd., makers of Foster's lager, Australia's top selling brand. The cost of obtaining a majority stake was 480 million Australian dollars (\$345 million at current exchange rates).

After an abortive bid in 1985 for Allied Lyons PLC, a British food and drink giant, Elders paid 3.3 billion dollars last year to acquire brewing and other interests of Britain's Courage group.

Then in April, Elders announced that the Canadian government had approved its 460 million dollar takeover offer for Carling O'Keefe Ltd., Canada's third-largest brewer.

In an interview in Singapore last week, John Elliott, chairman and chief executive of Elders, said that the relatively small size of the Australian market had forced the group to think big and expand offshore.

David Wheeler, senior analyst with A.C. Goode & Co. in Melbourne, said that the group's strategy was based on high cash flow. "Growth through acquisition has depended on heavy borrowing. The cash flow from beer sales helped convince banks that Elders could service its debts."

Mr. Elliott, 46, has pledged to make Elders one of the world's top three brewing groups within five years and Foster's the best-selling export brand.

Don Lusthaus, an analyst who recently wrote a report on Elders for Australian stockbrokers Bain

& Co., said he believed that the group could achieve its target, although it might take longer than five years.

"Elders," he added, "has a proven record of successful expansion. They have good management and are very clever marketers of beer."

Mr. Elliott and several of his closest business associates worked with the international management consultants McKinsey & Co. before they borrowed money in 1972 to buy a Melbourne-based fruit canner and jam maker, Henry Jones (IXL) Ltd., that had fallen on hard times.

After years of steady expansion, it bought Australia's largest agricultural concern, Elders Smith Goldborough Mort Ltd.,

which came under its control in 1981.

The renamed company's revenue then jumped to 7.7 billion dollars in the year ended June 30, 1986, from 2.8 billion dollars in 1981-82. Operating profit rose to 209 million dollars from 61.3 million dollars.

Elders' profit rose 70 percent last year to a record 181.4 million dollars.

Brewing accounted for 46 percent of group operating profit in 1986, finance for 20 percent, investment 15 percent, international trade-related activities 10 percent, and agricultural operations 9 percent.

Elders had to borrow heavily to buy Courage last year, and Mr. Elliott said he hoped to announce details within two weeks of a selloff of the 5,000 public houses owned by the British brewer.

In April, Elders said it hoped to raise about \$1 billion (\$1.68 billion) through the selloff, but would retain a one-third interest in the pubs.

Mr. Wheeler, the analyst, said that Elders' preferred option

was to float the pubs on the London Stock Exchange.

Mr. Elliott said that when his company bought Courage, Elders had debts of about 4 billion dollars, mainly in loans from banks.

Since then, two bond issues convertible into Elders shares have raised 1.2 billion dollars while a rights issue to shareholders has raised 900 million dollars.

After shares in the Courage pubs are sold, Mr. Elliott said that Elders probably would have "less than 1 billion in debt, against shareholders funds of 5 or 6 billion and group assets of 6 to 7 billion."

Elders would then be "in a good position to make further acquisitions and build further growth."

The markets have been speculating about his intentions.

In April 1986, Elders spent nearly 1.7 billion dollars to buy more than 18 percent of the issued ordinary capital of the resource and steel giant, Broken Hill Proprietary Co. Australia's biggest conglomerate.

Analysts are divided on whether Elders will make a full bid, but Mr. Elliott would not comment, only saying he was happy with the BHP investment.

But Australian analysts believe that Elders is preparing for another major acquisition. The troubled British liquor group Guinness PLC and the U.S. brewer, Anheuser-Busch Cos. have been mentioned as possibilities.

One Australian businessman who has watched Mr. Elliott's empire grow commented, "He's very aggressive and ambitious. His horizons stretch a long way."



John C. Elliott
Elders Ltd.

'Elders has good management and is a very clever marketer of beer.'

— Don Lusthaus,
stock analyst

Mexico to Sell Majority Stake in Mexicana Air

MEXICO CITY — The government has announced that it will sell its majority stake in Mexicana Airlines as part of a program to divest itself of unprofitable state-controlled companies.

The move Thursday came as Mexicana reported a loss in 1986 of \$15.5 million, bringing its accumulated losses at the end of that year to about \$74.4 million.

The government called for prospective buyers to submit bids by June 30.

The airline serves 32 Mexican cities and 14 other international destinations and shares routes within Mexico with Aeromexico. It carried 8.6 million passengers in 1985 and an estimated 10.4 million last year, using a fleet of 40 Boeing 727-200s and five DC10-15s.

"The sale has been predicted for a long time," said a senior analyst at a local brokerage house. "It's just a matter now of who it goes to."

Havas Privatization Price Set at 500 Francs a Share

By Axel Krause
International Herald Tribune
PARIS — The Finance Ministry said Friday it would publicly offer the government's shares in Havas SA, France's largest advertising group, at 500 francs (\$84) a share. The group's privatization is expected to raise about 3 billion francs.

Financial analysts and bankers said that the price, one of the few details of the group's privatization that had not yet been announced, was fair. They predicted that the offering would be oversubscribed.

The shares, which will go on sale Monday, are part of the government's 44.7 percent stake in Havas's 12.6 million shares outstanding. About 33 percent of the shares are in private hands, with the remainder controlled by institutional investors, including state-controlled banks.

The government will sell 20 percent of the company's 12.6 million shares to the public, and another 20 percent to a core group of six companies and financial groups friendly to Havas. These companies, whose names were also disclosed Friday, will buy the shares at a premium of 8 percent over the public offering price.

Havas personnel and former employees will be able to buy the remaining 5 percent share held by the government, amounting to about 600,000 shares, at discounts of 5 to 20 percent.

The core group includes the state-owned bank Société Générale, the Parisian banking group, and Lyonnaise des Eaux de l'Éclairage, a water distribution and engineering group, each with 4 percent.

Société de Participations Mobilières et Foncières, a financial holding company, will subscribe to 3 percent, while Caisse Nationale de Crédit Agricole and Société Générale de Belgique SA will each wind up with 2.5 percent, the ministry said.

"The price is reasonable, and Havas is well known in France, so we expect a successful offering," said Marie-Rose Barret, an analyst with Le Guay-Massonnet, a Paris brokerage firm. The public offer remains open until May 30.

An attractive feature of the offer, Mrs. Barret and bankers said, is that private shareholders who buy 50 shares will have the right to 5 free shares. The only condition, the ministry said, is that the original shares be held for minimum of 18 months.

Swiss Drug Giants Face Better Year as Dollar's Effect Fades

ZURICH — The big three Swiss chemical and pharmaceutical concerns are likely to perform better in 1987 than they did last year as the negative effects of currency factors diminish, analysts say.

The weaker dollar continued to depress the results of F. Hoffmann-La Roche & Co., Ciba-Geigy AG and Sandoz AG in the first few months of the year. Only Sandoz reported an increase in first quarter revenue.

But Swiss analysts see better times ahead and Kleinwort Grenson Securities, a London securities firm, says that the chemical sector is unlikely to be as badly hit by the weaker dollar as it was last year.

"We expect to see effective growth in local currencies in pharmaceuticals in the second half of 1987 and in 1988," said Claudio Werder, a share analyst at Bank Vontobel.

Bank Vontobel estimates that earnings in the chemicals sector generally will grow 7 percent in 1987 after falling 8 percent in 1986.

Hans Kaufmann, who follows Swiss equities for Bank Julius Baer, Zurich, said that the diminishing effect of adverse currency movements would show good internal growth when results are translated into Swiss francs.

"The worst of the currency movements are behind us," Mr. Kaufmann said. "Things should get better from quarter to quarter."

Hoffmann-La Roche said this week that its sales fell 7 percent in the first four months of 1987, to 2.54 billion Swiss francs (\$1.74 billion) from 2.72 billion francs a year earlier. Sales expressed in local currencies, or volume, rose 11.9 percent.

Ciba-Geigy said its first quarter sales fell 10 percent to 4.14 billion

francs but rose 2 percent in local currencies.

In contrast, Sandoz reported a 9 percent increase in sales to 2.39 billion francs in the first quarter, despite the adverse currency factors.

Mr. Werder said, "1986 was the third year in a row that Sandoz reported two-digit growth in local-currency drug sales. Growth in pharmaceuticals this year should be about 15 percent."

Analysts said that the strong performance of Sandoz's drug division and the increasing integration of recent acquisitions into group operations could boost profit about 10 percent.

In 1986, the company earned 541 million francs. Analysts noted that 1986 profit was hurt by the fire at its plant in Basel on Nov. 1, which polluted the Rhine. They said that the accident would not affect the 1987 results.

Hoffmann-La Roche is expected to post a similar improvement in profit because of new products that will compensate for a 30 percent fall in U.S. sales of the tranquilizer Valium last year. Roche's U.S. Valium patent expired in 1985.

Ciba-Geigy, which has forecast lower 1987 sales in Swiss francs, said that currency movements would reduce its operating profit by 400 million francs.

It is seen as the most vulnerable of the three companies because of its exposure in the troubled agrochemicals industry.

Analysts said that its net operating profit could fall by 3 to 5 percent from last year's 1.16 billion francs.

"Ciba-Geigy will have another difficult year," Mr. Werder said, "with sales in its agrochemicals division at best stagnating."

Hewlett Introduces 3 Computer Systems

By Lawrence M. Fisher
New York Times Service

SAN FRANCISCO — Hewlett-Packard Co. has introduced three new computer systems for technical users and announced shipping dates and prices for its long-awaited HP 3000 Series 930 and 950 business computers.

The machines introduced Thursday all use a computer system developed by the company that is based on what is known as reduced-instruction set computing, or RISC.

The HP 3000 Series was originally scheduled for delivery last year but was delayed by what the company called "additional tuning requirements" in software, the programs that control computer operations.

The new machines were developed under the name Spectrum. Analysts said that they would create strong competition for International Business Machines Corp.

and Digital Equipment Corp. in business computers, and for Sun Microsystems Inc., Apollo Computer Inc. and Silicon Graphics Computer Systems in the technical market.

John A. Young, Hewlett-Packard's president, said in an interview that the aggressive pricing of the new machines reflected "the dramatic difference in cost" of the RISC architecture as well as pricing moves by the company's competitors, IBM and Digital, over the past few months.

"We hope to be even more aggressive in the future," he said.

Asked about the software problems that had delayed shipment of the HP 3000 business machines, Mr. Young said that the company was happy with the system's performance at test sites.

Shipments of the machines will build up gradually after August, and "the main revenue impact will

be in fiscal 1988, which begins in November," he said.

Hewlett-Packard's new machines for engineering and scientific uses include the Model 850S superminicomputer, which starts at \$200,000 for a single processor unit; the Model 825S, a small multi-user system starting at \$42,500 per single unit, and the Model 825SRX super workstation, which is said to offer more performance than any existing workstation and is priced at \$86,500.

An upgraded version of the mid-size Model 840S was also introduced at a single processor price of \$81,500.

Hewlett, which is based in Palo Alto, California, said that shipments of the Series 930 business computer would begin in August. As expected, the price of the 930 has been lowered to \$180,000 from \$225,000, and the 950 will be priced at \$260,000.

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Investissements Atlantiques S.A. will pay a U.S. \$0.10 dividend per share on or after May 25th, 1987 to holders on record on May 15th, 1987.

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Time Inc. to Sell Ailing 'Discover'

New York Times Service

NEW YORK — Time Inc., continuing the cutbacks begun in late 1985, has announced plans to sell its money-losing science magazine, Discover, to Family Media for \$26 million.

The decision to sell the magazine represents a turnaround by Time. Last year, when the company laid off employees and closed other money-losing magazines, executives repeatedly emphasized their commitment to the science magazine.

Reginald Brack Jr., president of Time Inc.'s magazine group, said Thursday that because Discover differed from most Time Inc. magazines by being a special-interest publication, it would do better as part of a company like Family Media with similar publishing interests.

Discover, which was founded in 1985 and is based in Springfield, Massachusetts.

Learn Siegel was acquired in December by Forstmann Little & Co., a New York investment firm. Smith & Wesson earned \$14.1

million on sales of \$116.1 million in the year ended June 30, 1986.

Tomkins, with a product line running from car parts to washing-machine controls, said it wanted to buy Smith & Wesson because of the gun maker's potential for growth.

Smith & Wesson's revolvers and semiautomatic pistols hold 30 percent of the U.S. handgun market. Individuals buy 68 percent of the guns, with the rest being sold to police forces.

Smith & Wesson also makes handouts and the "Identikit" system used by police forces to compose images of suspected criminals of whom no photographs are available.

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BULL: Venture Links Size to Success

(Continued from first finance page)

has already stopped the slide of its market share in the United States, he asserted. How? By persuading customers that its owners are committed to staying in the business, he said.

"When you invest in the computer, you want to make sure you choose the right vendor, someone who will be around for the long term," said Mr. Stern, 55, who ran his own successful software company before joining Bull. "Our joint venture has reassured customers because they see we are committed to the business."

Not that such commitment is enough to insure Honeywell Bull's survival in a world where IBM is king, he acknowledged.

Sull, Mr. Stern is hoping that Honeywell Bull — and the Bull-NEC-Honeywell alliance — can capitalize on computer users' fears of a world in which the only choice might be IBM. Many users also want "open systems," or ones that are capable of tying together equipment from four or five companies.

"One of our strategic choices is to be open to other suppliers," said Francis Lorentz, Bull's chief operating officer and Mr. Stern's right-hand man. "We think customers want freedom. They don't want to be trapped by one supplier."

Mr. Stern also hopes to capitalize on the increasing importance of distributed data processing and on networking, the move by computer users to replace the big, central mainframe computer with an array of smaller computers that are tied together.

Finally, Mr. Stern does not want Honeywell Bull simply to sell computers. He wants it to provide customers with so-called turnkey systems, or complete hardware-software packages tailored to solve customers' specific problems.

Jerome J. Meyer, the longtime Honeywell manager who is the chief executive officer of Minneapolis-based Honeywell Bull, agrees with his French colleagues on this strategy. "A lot of customers do not want to talk about the need for more processors or more memory but about 'How do I link my three plants together?' or 'How do I get rid of my inventory bulge?'" he said.

These strategies are hardly radical. Almost every major computer company in the world now asserts it is a maker of systems that offer total solutions rather than just computers.

Still, in Europe, Bull is one of the acknowledged leaders in marketing open systems, networking and turnkey solutions. It has been in the forefront of pushing European computer makers to adopt international standards so computers

made by different companies can be tied together.

The big question, of course, is whether Honeywell Bull can do the same in the United States, where Digital in particular has been successfully taking the same approach.

Many analysts say that Mr. Stern may find the going a lot tougher in the United States than in Europe. "Stern has been a good, hard-hitting, no-nonsense chief executive who has understood the European markets well," said Ann Courtright, research director for the Yankee Group, the Boston-based market-research and consulting concern.

"But the American markets are different," she said. "They are much more competitive. In Europe, you compete against IBM. In America, you compete against IBM, Digital and a lot of smart, well-financed start-ups like Apollo."

Mr. Stern said he planned to devote a lot of his energies to revitalizing Honeywell Bull's marketing staff. But he also emphasized that Honeywell Bull had its strengths, including its base of 10,000 Honeywell customers.

The market strengths of Bull and Honeywell Bull complement each other, he said, noting that while Bull is strong in serving the government and banking and insurance industries, Honeywell is important in manufacturing.

The joint venture will start with \$2 billion in revenue, while Bull, the dominant owner with a 42.5 percent share, has revenue of \$3 billion.

Honeywell also has a 42.5 percent stake, but under the agreement, Bull is to increase its share to 65.1 percent and Honeywell's will drop to 19.9 percent in two years. NEC owns the remaining 15 percent.

Mr. Meyer, 49, said that the joint venture could cut costs by consolidating factories and product lines and teaming in research and development. NEC is to focus on developing top-of-the-line mainframes, and the joint venture will spend about \$500 million a year developing the rest of the computer line.

Some industry experts caution, however, that getting the three partners to cooperate might not be so easy. Martyn Roetter, a computer consultant with Arthur D. Little, said, "Meyer has to balance the interests of three different owners, and he has to be able to extract from the three owners the money and resources to insure that the joint venture 'can get the kind of marketing and products it needs.'"

Bull officials said they had long wanted to expand outside of France, and they seized the opportunity when Honeywell decided to reduce its role in computers.



President Reagan and Soviet leader Gorbachev

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Spain*	Phn.	19,000	10,000	5,800
Sweden*	Skr.	1,800	990	540
Switzerland	S.F.	510	280	154
Rest of Europe, North Africa, former French Africa, Middle East				
Rest of Africa, Gulf States		310	230	125
Rest of Asia, South Africa		350	230	125

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.
Via the Associated Press

(Continued on next page)			
AMEX Highs-Lows*			
	NEW HIGHS	M	
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M Gold n Admiral	Any/Today n Clearwater n Port of n Tulsa Ind	Amel Comp/Ind Tulsa Ind	Barrister Blackburn Sunliner
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<h1>HEBE DORSEY</h1> <p>IN THE HIT EVERY TUESDAY WITH FASHION —</p> <p>ND THE PEOPLE WHO MAKE IT.</p> <p>— WORLDWIDE</p>			
<p>(s Listed) 22nd May 1987</p> <p>Notes based on issues prior.</p> <p>Category: (7) - regular; (7) - irregular.</p> <p>(c) Pacific World, Phil. S.A.</p> <p>9 1461</p>			

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3800	12/20	12/20/19	12/20/19

